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301274

November 10, 2020

Ms. Cynthia Brown, Section Chief
Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423

ENTERED
Office of Proceedings
November 12, 2020
Part of
Public Record

Re: FD 36447, Lake Providence Port Commission—Feeder Line Application—Line of
Delta Southern Railroad Located in East Carroll and Madison Parishes,
Louisiana

Dear Ms. Brown:

Accompanying this letter for filing in the referenced docket is a “Petition Seeking Expedited Consideration of Feeder Line Application and the Acceptance of the Application Prior to the Determination of the Constitutional Minimum Value of the Property that is the Subject of the Application” is also included. The Application is being filed simultaneously.

Lake Providence Port Commission, in its capacity as a political subdivision of the State of Louisiana, also seeks a waiver of the filing fees pursuant to 49 C.F.R. § 1002.2(e). That section provides that it is the general policy of the Board to waive filing fees for an application or other proceeding filed by a “state or local government entity.” LPPC is not a quasi-government corporation or a government subsidized transportation company.

If you have any questions, please give me a call.

Respectfully submitted,

/s/ Richard H. Streeter

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Counsel for LPPC and SEAEDD

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RHS:rs

Cc: Wyly Gilfoil, Director Lake Providence Port Commission
John.Marino@ContinentalRail.us

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November 12, 2020
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CONTAINS COLOR IMAGES

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

**STB Docket No. FD 36447
LAKE PROVIDENCE PORT COMMISSION—FEEDER LINE
APPLICATION--LINE OF DELTA SOUTHERN RAILROAD
LOCATED IN EAST CARROLL AND
MADISON PARISHES, LOUISIANA**

FEEDER LINE APPLICATION

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November 10, 2020

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**BEFORE THE
SURFACE TRANSPORTATION BOARD**

**STB Docket No. FD 36447
LAKE PROVIDENCE PORT COMMISSION—FEEDER LINE
APPLICATION-LINE OF DELTA SOUTHERN RAILROAD
LOCATED IN EAST CARROLL AND
MADISON PARISHES, LOUISIANA**

FEEDER LINE APPLICATION

Lake Providence Port Commission, a non-carrier, political subdivision of the State of Louisiana (“LPPC”), hereby files this Feeder Line Application pursuant to 49 U.S.C. § 10907 and 49 C.F.R. Part 1151.1. LPPC requests the Surface Transportation Board (“Board” or “STB”) to issue an order finding that the Public Convenience and Necessity, as defined in 49 U.S.C. § 10907(c)(1), requires Delta Southern Railroad, Inc. (“DSR”) to sell a segment of a line of railroad owned by it to LPPC for a price not less than the line’s constitutional minimum value (“CMV”). The segment consists of 20.0 miles of track located between MP 471.0 and MP 491.0. The segment is a crucial component of a continuous 91.3-mile line of railroad between MP 408.9 in McGehee, Arkansas and MP 500.2 in Tallulah, Louisiana. The entire Line, which parallels the Mississippi River, is known as the McGehee-Tallulah Railroad Corridor (“the Corridor”). As the Board’s records reflect, ownership of the entire Line is shared by LPPC, DSR, the Southeast Arkansas Economic Development District (SEAEDD) and the North Louisiana & Arkansas Railroad (NLA).

As explained in the accompanying Petition Seeking Expedited Consideration and as confirmed below, this Application must be considered in conjunction with the *Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project* and an INFRA Grant awarded to SEAEDD on behalf of a public-private partnership composed of SEAEDD, LPPC, the Madison Parish Port Commission, NLA and DSR by the United States Department of Transportation (DOT). The Grant funds are to be used to reopen the entire Corridor, including the segment at issue herein which is impassable and has not been used for common-carrier rail service for at least three years. Because DSR has declined to commit the needed funds to restore these tracks, the Board should authorize LPPC to acquire ownership of the 20-mile segment of the Corridor between MP 371.0 and MP 391.0.

I. SHOWINGS UNDER SECTION 1151.3

A. Identification of Line to be Purchased (49 CFR § 1151.3(a)(1))

1. The name of the owning carrier

The name and address of the incumbent carrier is as follows:

Delta Southern Railroad, Inc.
469 Port Road
Madison Parish Port
Tallulah, LA 71282

2. The exact location of the line to be purchased including milepost designations, origin and termination points, stations located on the line, and cities, counties and States traversed by the line.

The segment of the Corridor that LPPC seeks to acquire extends between MP 471.0 and MP 491.0 and various ancillary tracks attached thereto. This

segment is located in agricultural areas of East Carroll and Madison Parishes, Louisiana.

B. Identification of Applicant (49 CFR § 1151.3(a)(2))

1. The applicant's name and address:

Lake Providence Port Commission
409 Port Road
Lake Providence, LA 71254

2 The name, address, and phone number of the representative to receive correspondence concerning this application:

Richard H. Streeter
Law Office of Richard H. Streeter
5255 Partridge Lane, N.W.
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3. A description of applicant's affiliation with any railroad:

LPPC is a non-carrier that owns other segments of the Corridor, including the trackage between MP 454.8 and MP 471.0 that adjoins the segment at issue herein. The segments that are owned by LPPC are operated by NLA pursuant to authority previously granted by the Board. LPPC recognizes that it will have a residual common carrier obligation when it acquires the segment of the Corridor at issue herein and will extend the lease agreement with NLA to include the additional mileage.

4. If the applicant is a corporation, the names and addresses of its officer and directors.

Not applicable.

C. Information sufficient to demonstrate that the applicant is a financially responsible person (49 CFR § 1151.3(a)(3)).

Because LPPC is a governmental agency of the State of Louisiana, the Board's regulations presume that it is financially responsible. 49 CFR § 1152.27(c)(1)(ii)(B).

D. Estimate of the NLV and the GCV (49 CFR § 1151.3(a)(4))

Although a part of the segment at issue has been used to store rail cars, it has not been used since 2017 for common carrier purposes. As a result, consistent with Board precedent, the segment has no going concern value ("GCV"). Therefore, the CMV will be the NLV. Based on a study performed by RMI VALUATION, LPPC submits that the NLV is \$_____.¹

E. Offer to Purchase (49 CFR § 1151.3(a)(5)).

LPPC offers to buy the segment of the Corridor between MP 471.0 and MP 491 for the CMV as determined by the Board.

F. The Dates for the Proposed Period of Operation of the Line (49 CFR § 1151.3(a)(6))

Operations will commence as soon as the rehabilitation of the tracks is completed. The precise date that operations will be capable of being started cannot be determined as of the date of filing. Simply stated, the reopening of the entire Corridor is contingent upon the receipt of the INFRA Grant. Moreover, receipt of INFRA Grant Funds is contingent upon a commitment to rehabilitate the entire corridor. Because DSR in mid-August of 2020 announced that it is incapable of funding the rehabilitation of this segment,

¹ To be determined.

LPPC decided to file this Application. As a result, the Board's approval of LPPC's acquisition is required if the goal of reopening the entire corridor is to be realized.

G. Operating Plan (49 CFR § 1151.3(a)(7))

LPPC intends for NLA to conduct all freight rail operations over the Corridor from MP 408.9 to MP 491.0. As the Board is aware, NLA has been the operator for LPPC since 2012. The formal operating plan has not yet been finalized. Following the Board's acceptance of this Feeder Application, NLA will file its notice of exemption to lease and operate the additional tracks.

H. Liability Insurance Coverage (49 CFR § 1151.3(a)(8))

LPPC anticipates that the lease and operating agreement it will negotiate with NLA will provide that NLA would secure and maintain at all times an insurance policy from a reputable insurance company that provides for commercial liability coverage in an amount not less than \$10,000,000. LPPC would be named as an additional insured under all such policies. In addition, LPPC would obtain and maintain separate liability insurance policies as necessary to supplement the NLA coverages.

I. Preconditions (49 CFR § 1151.3(a)(9))

LPPC is not seeking STB approval of any preconditions at this time. Absent the STB approval, no preconditions will be placed upon shippers in order to receive service over the Corridor.

J. Name and Address of Subsidizing Person (49 CFR § 1151.3(a)(10))

LPPC will bear the entire cost of acquisition as described above and does not anticipate that any form of subsidization will be required.

K. Applicant Seeks To Acquire A Segment Of The McGehee-Tallulah Railroad Corridor From DSR Pursuant To A Finding By The Board That The Public Convenience And Necessity Requires The Sale Of The Segment (49 CFR § 1151.3(a)(11))

1. Current Ownership of the Corridor

As the Board's records reflect, before it filed a series of abandonment proceedings that began in 2004, DSR owned the entire corridor. Today, there are four entities that own distinct segments of the Corridor. LPPC and NLA jointly own the northern most segment that extends between MP 408.9 to MP 433.0 at Lake Village a distance of 24.1 miles. *Delta Southern Railroad, Inc.—Abandonment Exemption—In Desha and Chicot Counties, ARK.*, STB Docket No. AB 384(Sub-No. 3X) (served May 19, 2011).

The segment between MP 433.0 and MP 454.8 was acquired by SEAEDD, a non-carrier, after DSR abandoned it. See Letter to Cynthia T. Brown from Thomas F. McFarland, dated January 5, 2001, filed in STB Docket No. Ab-383 (Sub-No. 3X), *Delta Southern Railroad, Inc.—Abandonment Exemption—In Desha and Chicot Counties, ARK.* NLA is the operator over this segment. *North Louisiana & Arkansas Railroad, Inc.—Lease and Operation Exemption—Line of Southeastern Arkansas Economic Development District*, FD 35608 (STB served March 28, 2012).

LPPC currently owns the segment of the Corridor between MP 454.8, at or near the Louisiana/Arkansas border, and MP 471.0, at or near Lake

Providence, East Carroll Parish, Louisiana. As the Board recognized in *North Louisiana & Arkansas Railroad, Inc.—Acquisition and Operation Exemption—Line of Lake Providence Port Commission*, FD 35609), slip op. at 1, n2 (STB served October 5, 2012):

LPPC states that it does not operate the line but has a residual common carrier obligation for the segment of the line between mileposts 463.0 and 471, which it acquired through the Board’s offer of financial assistance process. *See Delta S. R.R.—Aban. Exemption—In E. Carroll Parish, La.*, AB 384 (Sub-No. 2X)(STB served June 7, 2011). LPPC acquired the remainder of the line after it was abandoned.

The Board’s decision in FD 35609 also approved the transfer of trackage rights from LPPC to NLA of that segment of the corridor between MP 471.0 and MP 472.25.² By its decision in *Lake Providence Port Commission—Trackage Rights Exemption—Delta Southern Railroad, Inc.*, FD 35531 (STB served June 24, 2011), the Board had previously authorized DSR’s grant of trackage rights between MP 471.0 and MP 472.25 to LPPC. MP 472.25 is the spot where the trackage rights line connects with a private sidetrack and lead track owned by LPPC that allows rail service to the warehouses and dock at the Port.

DSR owns the segment of the Corridor that extends from MP 471.0 to MP 500 at Tallulah, LA. At present, DSR provides common carrier for-hire service between MP 491 and MP 500. It does not provide common carrier service

² *Id.* at p. 2, n2 (“NLA concurrently filed a separate verified notice of exemption to acquire the trackage rights in *North Louisiana & Arkansas Railroad, Inc.—Acquisition of Trackage Rights Exemption*, Docket No. FD 35610. Because the trackage rights sought there are incidental to the lease of the line in Docket No. FD 35609, the Board is issuing a single notice of exemption in Docket No. FD 35609 covering the entire transaction.”)

between MP 471 and MP 491, much of which is impassable. DSR does utilize the 10-mile portion of the main line between MP 481 and MP 491 to store railcars for third parties.³

2. The Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project

In November 2017, SEAEDD, along with LPPC, MPPC, Yellow Bend Port, NLA and DSR, jointly submitted an INFRA application to DOT pursuant to the Infrastructure for Rebuilding America (“INFRA”) Program for Fiscal Year 17-18. The application projected the reconstruction of the entire Corridor would cost \$49,236,051 and sought Federal funding totaling \$29,891,000. On June 8, 2018, SEAEDD was notified that the 17-18 INFRA application was not funded.

Recognizing that Federal financial assistance is essential if rail service over the Corridor is to survive, SEAEDD, once again acting as the lead entity, submitted a 2019 INFRA application on March 2, 2019.⁴ This application projected that the total cost of reconstructing the entire Corridor had increased to \$59,438,029. SEAEDD requested \$25,589,421 of Federal Funding. By email dated July 10, 2019, Paul Baumer on behalf of Chief Infrastructure Funding Officer Dan DeBono at the U.S. Department of Transportation, requested Patrecia Hargrove, SEAEDD’s Executive Director, who is FRA’s designated point of contact, to commit by close of business on the following day to the

³ For the Board’s convenience, a schematic map is attached as Exhibit. 2 that reflects the ownership of the Corridor from MP 408.9 to MP 500.2.

⁴ A complete copy of the 2019 INFRA Application is attached hereto as Exhibit 1. The extensive, detailed information set forth in the INFRA Application is tendered as evidence in this Feeder Application and will be referenced as such herein. For a detailed Project Description and Project Details, see FY 19-20 INFRA Application at pp. 3-10.

completion of *the full project* even though the \$10,516,259 of INFRA Grant money would require SEAEDD, LPPC, the Madison Parish Port, NLA and DSR (hereinafter jointly referred to as the “Stakeholders”) to cover the shortfall of \$15,173,162 of additional funds that would be required to cover the rehabilitation of the entire corridor.⁵ Because Baumer’s email to SEAEDD was sent at 7:18 PM on July 10, SEAEDD had only one day to respond.

As Director Hargrove explains in her Verified Statement, upon receipt of the notice from DOT:

After I reviewed the email from Paul Baumer, I immediately notified our consultants at HDR and Wyly Gilfoil at LPPC to advise them that we needed to talk about how we would respond to DOT’s request that I provide a description of which sources I would expect to use to make up the difference between the request and the award amount. As explained in the email from DOT, I had until the close of business on July 11, 2019 to respond.

The following afternoon, after consulting with all parties, including John Marino and Jon Ryan at Continental Rail (which had acquired the stock of DSR in 2015 from its former owners in a transaction outside of the Board’s jurisdiction), and receiving everyone’s input, I sent the following email to Paul Baumer on July 11:

In response to your email, SEAEDD and its partners would accept a reduced INFRA grant award of \$10,516,259, which you note reflects a \$15,173,162 reduction in the total amount requested. By accepting a reduced award, we could continue to meet the goals and objectives of the overall project, however, several project components would be delayed. The priority for SEAEDD is to rehabilitate the entire rail corridor, which is estimated at \$18.6 million. Reduced federal funding would delay infrastructure investments associated with connectivity to local shippers and multimodal connections between the ports, Mississippi River and the rail corridor. The funding gap could be made

⁵ See Ex. 3 V.S. Hargrove at ¶ 4..

up through local port funds, the LADOTD port priority program, and potentially more private funding from the short line railroads.⁶

On July 15, 2019, SEAEDD and LPPC representatives on behalf of the Stakeholders participated in an initial conversation with DOT concerning the need to reduce the scope of work because of the reduced award amount. In addition, the Stakeholders began their own review of ways to revise the project's scope of work to line up with the reduced award amount. The scope of work had to be submitted to US DOT for approval. On July 18, 2019, SEAEDD received an email notice that DOT had designated the Project as being a "Nationally Significant Freight and Highway Project" and awarded \$10,516,259 to be used for the express purpose of rehabilitating *the entire corridor*.

Thereafter, the Stakeholders and HDR, which was hired for INFRA engineering services, continued their efforts to revise the project scope of work. No one ever suggested that the 20-mile segment would not be rehabilitated. Nor did anyone question that the overall goal of the Project was to rehabilitate the entire Corridor. On December 10, 2019, however, DSR submitted what it termed its:

updated uses for the SEAEDD grant money that has been allocated to the DSRR to rehabilitate our portion of the corridor. We believe the plan laid out below will accomplish the overall goal for this section of track leading to Madison Parish Port.

DSR's "plan," however, addressed only the portion of its segment that extends between MP 491 and MP 450. No mention whatsoever was made regarding the 20-mile segment of tracks between MP 471 and MP 491 that

⁶ *Id.* at ¶¶ 5-6.

LPPC seeks to acquire through this Feeder Application.⁷ As the entirety of the INFRA Application and the subsequent Grant reflects, the rehabilitation of that 20-mile stretch of the Corridor is essential. Hence, the failure to commit to the full rehabilitation of the Corridor could result in the loss of INFRA Grant funding, which would likely lead to the ultimate abandonment of the Corridor.

On March 17, 2020, SEAEDD submitted its request for FRA to approve scope changes to the Project to fit the new budget that reduced the Non-Federal Cost share to \$10,861,267.⁸ Although the reduced share reflected the elimination of certain components, such as a Mississippi River dock component, it did not impact the need to rehabilitate the tracks at issue.

Following receipt of a letter from FRA approving of the requested changes to the scope of work, SEAEDD prepared and forwarded a proposed Consortium Agreement to the Partners for their approval.⁹ Instead of approving the Consortium Agreement, DSR, in mid-August, announced that *it will not commit to the rehabilitation of the twenty-mile segment of its line*. Because the rehabilitation of that segment is required to reopen the entire Corridor, LPPC, with the support of the other Partners, and after conferring with DSR, decided to file this Application to acquire the segment of the Corridor between MP 471 and MP 491.

⁷ *Id.* at ¶ 7.

⁸ A copy of this request is attached to the Verified Statement of Patrecia Hargrove.

⁹ V.S. Hargrove at ¶ 10.

Shortly thereafter, Hargrove advised FRA that DSR would not commit to rehabilitating the segment.¹⁰ She also explained that LPPC would take steps to acquire the 20-mile segment from DSR as soon as it could determine the NLV of the property. In response, Hargrove was advised that FRA's approval of the changes set out in the March 17, 2020 letter had no impact on SEAEDD's prior commitment to rehabilitate the 20-mile segment. FRA also indicated that the change of ownership of the segment would not adversely impact the INFRA Grant funding *if* the segment is re-opened for rail service.

LPPC is an ideal purchaser under the Feeder Line Statute. Congress created the feeder line development program “to provide communities and shipper groups an opportunity to preserve rail lines before they are abandoned or downgraded by the owning railroad.” *Hudson River Estates, Inc.—Acquisition of Boston and Maine Corporation Reversionary Offer – Hillsborough Branch*, FD 31701 (Sub-No. 2), 8 I.C.C.,2d 807, 809 (1992). In other words, the “clear purpose is to give local interests an alternative to the status quo.” *Id.* See also H Conf. Rep. No. 1430, 96th Cong., 2nd Sess. 124, *reprinted in* 1980 U.S.C.C.A.N. 4110, 4156 (The feeder program “provide[s] shipper groups and government agencies an alternative to inadequate rail service” and also allows preservation of “feeder lines prior to the total downgrading of such lines”); *Caddo Antoine and Little Missouri Railroad Company v. STB*, 95 F.3d 740, 745-46 (8th Cir. 2001).

¹⁰ *Id.* at ¶ 16.

The feeder program and the INFRA Grant Program seek to achieve a common goal, namely the preservation of lines of railroad. As is evident from the INFRA Application, the intent is to preserve the *entire Corridor* to improve the health of the regional economy by improving transportation options that facilitate access to the ports that are located along the Mississippi. As it has done in the past by partnering with SEAEDD and NLA, LPPC has acted in the public interest by preserving segments of the Corridor that were abandoned by DSR.

Those efforts, which are also reflected in the successful INFRA Grant, will unquestionably aid the communities in the region as well as DSR and NLA, which will be able to improve the productivity, reliability and safety of their rail operations over the entire Corridor. As shall be demonstrated, LPPC's acquisition of the 20-mile segment of the Line will allow DSR to avoid the cost of rehabilitating the segment. Moreover, it will provide DSR with additional revenues that it needs to improve the remainder of its segment of the Corridor consistent with the scope of work mandated by the INFRA Grant.

It must be stressed that DOT has determined that this is a Nationally Significant Freight and Highway Project. Given the support of the shippers and Ports, as well as the Union Pacific and the Kansas City Southern, for the re-development of the entire Corridor, anything that would result in the loss of the INFRA Grant funds would be contrary to the Public Convenience and Necessity.

3. DSR has failed for years to make the necessary efforts to provide adequate service over this segment of its Line.

For the past three years, much of the rail between MP 471 and MP 491 has either been impassable or continuously blocked by stored cars.¹¹ As a result, no rail service has been provided over this segment. Furthermore, DSR has no intent to rehabilitate this segment of the Corridor. This is so even though, Matt Prince, DSR's Director of Operations, in a letter addressed to Secretary Chao in support of SEAEDD's and its partners application for INFRA program funding, dated October 17, 2017, clearly stated:

This grant will be used to modernize and improve rail safety infrastructure along an important freight corridor and improve the regional connectivity to three inland waterway ports. The infrastructure improvements described in the grant application are needed to provide the ports (sic) railroad customers access to the nation's rail network. The improvements will have a significant impact to the region's economic development efforts and will expand the effectiveness and cost savings to regional shippers.

The multimodal improvements described in the grant application will provide shippers in the region with new cost-effective alternatives for delivering their produce and manufactured goods to the nation, and to the world, as well as providing a new economic development tool for the region, which is so desperately needed. This application for multimodal freight corridor improvements is a positive step for Arkansas and Louisiana, and a positive step for the region and the nation. Increased transportation of rail and river traffic is important to the growth of our region's and nation's economy.¹²

However, now that it is being asked to cover the cost of rehabilitating its own tracks between MP 471 and MP 491, DSR has refused to do so.

¹¹ Ex. 4, V.S. Robbins at ¶ 6.

¹² Ex. 5.

In his Verified Statement, Wyly Gilfoil, LPPA's Port Director, has described his conversations with Continental Rail officials. As those recent conversations demonstrate, DSR's corporate parent is aware that it would be beneficial for port customers if LPPC were to assume responsibility for rehabilitating the segment of track that it seeks to acquire.¹³ At a bare minimum, this would allow shippers to gain access to UP and KCS. If the twenty miles at issue herein are not rehabilitated, DSR's improved rail service over its "Priority Miles" will do nothing for shippers that wish to move shipments to UP or for shippers located to the north of MP 472.25 who wish to receive and send shipments to KCS.

On July 30, 2020, Patrecia Hargrove, emailed a "Consortium Agreement Final Draft" to all of the other consortium members. As she explained:

During the life of the INFRA project, SEAEDD as the Grantee and Grant Administrator must oversee the management of the project. Because this project is comprise[d] of 5 consortium members, it is necessary for all members to agree to work together toward the successful completion of this project. The agreement outlines roles and responsibilities for all consortium members involved, as well as funding flow/process, reporting, etc.

Please review the agreement and make any comments and/or revisions. The goal is to have an agreement in place prior to the signing of the grant agreement, which is expected to be completed and submitted to SAEEDD for execution by the end of August.¹⁴

¹³ Ex. 6, V.S. Gilfoil at ¶ 10. *See also*, Ex. 7, V.S. Patrick Terry Murphy; Executive Director, MPP; Ex. 8, Letter of Jerry J. Melton, President of Complex Chemical; Ex. 9, Letters from Sam E. Angel, President of Epstein Gin Co. and Epstein Transloading.

¹⁴ V.S. Hargrove at ¶ 4.

On August 14, Jon Ryan, from Continental Rail, responded by emailing “an updated draft with our comment so our scope matches the grant.” The “comment” consisted of DSR’s unilateral change in the number of miles on DSR’s tracks to be upgraded from excepted track by striking “30” miles and replacing it with “10” miles.¹⁵ No further explanation was provided. Recognizing the potential negative impact of DSR’s unilateral change, Hargrove forwarded Ryan’s email to Wyly Gilfoil and asked him to review it.

On August 17, Gilfoil spoke with John Marino, Continental Rail’s CEO, regarding the impact of the suggested change. During their conversation, Gilfoil told Marino that he would push for reallocation of the \$3.2 million plus Engineering if Marino refused to agree to upgrade the 20 miles to Class II status consistent with the underlying goal of the Project. Marino said he would get with Jon Ryan consider it. In response Wyly indicated that the partnership would apply in the future for funds to do the Madison Port to Tallulah.¹⁶

On August 18, Hargrove sent an email to John Marino requesting DSR to clarify its intentions. As she explained:

I need to have an answer in writing by 12 noon CDT on Friday, August 21, 2020 describing Delta Southern Railroad’s intentions as far as the Consortium Agreement and the Grant Agreement to repair the track between Talla Bena, Louisiana and Lake Providence, Louisiana to a minimum of FRA Class I standards and provide service as described in the narrative of the INFRA application and INFRA award.¹⁷

¹⁵ *Id.*

¹⁶ See V.S. Gilfoil at ¶ 7.

¹⁷ V.S. Hargrove at ¶12.

On August 20, Gilfoil and Bryant Killen, LPPC's Deputy Director, had a speaker phone conversation with Marino to urge him again to comply with the intent of the INFRA Grant Application by upgrading the 20 miles of track south of Lake Providence. As Gilfoil has explained, during that conversation:

Marino suggested that LPPC buy the track owned by DSR in East Carroll Parish to below Tallulah. He stated a price tag of around a million dollars a mile estimating the cost would be between \$13 and \$16 million. He then said this would be the best option and, while he hated to use the cliché "win-win," would be the only way in this instance that the line would be cleared of stored cars. Unprompted, he then said he "would move the cars somewhere else, no problem." I informed Marino that an appraisal would have to be made, and as a governmental agency, that would be the price the port would have to go by.¹⁸

Later that morning, Marino addressed an email to Gilfoil in which he renewed the thought of selling a portion of the right of way to the port. As he also observed, such a sale "could be beneficial for a port customer for many reasons – one most important being access to two class one railroads."¹⁹

During a follow-up call between Hargrove and Marino, Hargrove questioned why DSR had changed the mileage that it would rehabilitate when the proposed Consortium Agreement reflected the scope of work that FRA had approved. Marino replied that he saw no reason for DSR to upgrade the track beyond MP 491 to FRA Class 1 standard because DSR doesn't have any business in that direction and did not need to rehab that section of its track to service the shippers located at the Madison Parish Port. He also noted that there was no need to rehabilitate the six miles of track that DSR was using to

¹⁸ V.S. Gilfoil at ¶ 9.

¹⁹ *Id.* at ¶ 10.

receive income from storing railcars that are parked north of MP 491. Marino also indicated that DSR did not intend to cease using the track for storage purposes. In response, Hargrove reminded Marino that because the intent of the grant funding was that the entire corridor has access to UP to the North and KCS to the south, the future storage of railcars would be inconsistent with the unquestioned goal of the Project.²⁰

In his responsive email, dated August 21, 2020, Marino advised Patrecia Hargrove that “The Delta Southern will commit to completing the grant work outlined in our original estimates as detailed below.”²¹ However, as was the case of the original December 10, 2019 estimates, the work that DSR committed to complete involves only the rehabilitation of DSR’s “Priority-Miles” located between MP 491 and MP 500.

4. The transportation over such line is inadequate for all shippers who wish to transport traffic over this 20-mile segment of the Corridor.

This segment of the Corridor must be rehabilitated before any rail traffic can be provided over the 20 miles of track in the segment. As Danny Robbins has explained, because DSR has repeatedly refused to come to the interchange point at the Port of Lake Providence, NLA has not interchanged any cars with DSR since 2017.²² In February 2020, DSR refused to accept cars from NLA that were destined to Complex Chemical Co., Inc., which is located at the Madison Parish Port Industrial Park. In 2019, DSR refused to accept a 40-car train that

²⁰ See V.S. Hargrove at ¶ 7.

²¹ *Id.* at ¶ 8.

²² V.S. Robbins at ¶ 8.

was destined for interchange with KCS at Tallulah. In addition, it has refused to accept empty cars at the Port of Lake Providence, which has increased costs for the affected shipper as the cars had to be re-routed across Arkansas Midland, UP and KCS.²³

As the INFRA Application reflects, there are multiple shippers that stand ready to use the track in the future. Because they are aware that DSR has virtually embargoed service north of milepost 491, they realize there is no reason to waste time trying to obtain service over the Corridor until it is completely rehabilitated.

5. The sale of such line will not have a significantly adverse financial effect on the rail carrier operating such line.

LPPC acknowledges that DSR is using a part of that mileage to store idle rail cars for a third party or parties. LPPC anticipates that DSR will attempt to demand that LPPC compensate it for the loss of car storage revenues. However, using a mainline track to store cars does not constitute freight operations that would cause the valuation of the Line to be based on GVC instead of NLV.

As the Board has repeatedly recognized, it looks to whether the sale would have an effect on any existing *common carrier operations over the line*. *KCVN, LLC and Colorado Pacific Railroad, LLC-Feeder Line Application—Line of V and S Railway, LLC, Located in Crowley, Pueblo, Otero, and Kiowa Counties, Colorado*, FD36005, slip op. at 11 (STB served July 31, 2017); *Keokuk Junction Railway—Feeder Line Acquisition—Line of Toledo Peoria & Western Railway*

²³ See V.S. Robbins at ¶¶ 7-8; Letter to Cynthia Brown from Sam Angel, Ex. 9 hereto.

Between La Harpe & Hollis, Ill., 7 S.T.B. 893, 898-899 (2004); *Oregon International Port of Coos Bay—Feeder Line Application—Coos Bay Line of the Central Oregon & Pacific Railroad, Inc.*, FD 35160, slip op. at 6 (STB served November 19, 2008); and *Pyco Indus.—Feeder Line Application—S. Plains Switching, Ltd. (Pyco)*, FD 34890, slip op. at 13 (STB served Aug. 31, 2007).

In this case, *because DSR is not performing any common carrier operations over the Line between MP 481 and MP 491*, the sale of the track for its NLV will not have any effect on DSR. The continued storage of several miles of freight cars on the mainline track between MP 481 and MP 491 would, however, block through movements of freight, thereby undermining the expressed goal of the INFRA Grant and the intent of the PPP and all other interests that supported the 2019 INFRA Grant Application.

Moreover, DSR's storage of 10 miles of rail cars is currently adversely impacting rail movements to and from Madison Parish Port. As Patrick Murphy, the Executive Director of the Madison Parish Port, has explained, DSR's service has been troublesome at times due to the crossing at mile post 491 that leads to MPP being blocked excessively because DSR is switching rental storage cars that are stored on its mainline between milepost 481 and milepost 491.

LPPC urges the Board to follow its consistent practice of rejecting similar arguments in the past and recognizing that if the incumbent railroad receives the CMV, it does not matter that some revenues will be lost. Given the foregoing considerations, the continued storage of railcars on the mainline

between MP 481 and MP 491 is wholly inconsistent with the public convenience and necessity. Rather, it has everything to do with using a common carrier line of rail for purely private gain. This is not the “significantly adverse financial effect” contemplated by § 10907(c)(1)(C).

DSR’s retention of a segment of the Corridor for its private benefit derived from railcar storage at the expense of the overall public interest is unwarranted. Given Marino’s acknowledgment that if the tracks were acquired by LPPC, “he would move the cars somewhere else, no problem,”²⁴ it is clear that the sale of the segment will not have a significant financial impact on DSR or Continental Rail.

The continued use of this segment of the Corridor for railcar storage is inconsistent with the goal of restoring consistent rail service over the entire Corridor. In stark contrast, LPPC’s acquisition of this segment complies with the National Rail Transportation Policy of ensuring “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.” 49 U.S.C. § 10101(4).

6. The sale of the line will not have an adverse effect on the overall operational performance of DSR.

The sale of the 20-mile segment of the Corridor will have no adverse effect on the overall operational performance of DSR. As evidenced above, DSR has not provided any common carrier rail freight operations over the segment for several years. And, given its repeated preference to use the Grant funds that

²⁴ V.S. Gilfoil at ¶ 9.

it was allocated to pay for the rehabilitation of its “Priority–Miles,” it is clear that DSR’s management has determined that it has nothing to gain by expending any funds to rehabilitate the tracks that LPPC seeks to acquire.

While LPPC is willing to acquire the track and cover the cost of rehabilitation of this segment, it is unwilling to pay more than the line’s NLV. Given DSR’s seeming inability to afford the cost of rehabilitating its entire Line, the sale of the Line for its NLV will, of course, generate funds that DSR can utilize to improve the condition of its track between MP 491 and MP 450. That, of course, is the only part of its entire Line over which DSR provides common-carrier freight rail service. The use of the funds received from LPPC to assist in the complete rehabilitation of those tracks that DSR utilizes for common carrier service to provide improved rail service to businesses located at the Madison Parish Port is consistent with the Board’s reasoning in *Caddo Antoine and Little Missouri Railroad Company—Feeder Line Acquisition—Arkansas Midland Railroad Company Line between Gurdon and Birds Mill, AR.*, 4 STB 610, 623 (2000); and *Pyco*, FD 34890, slip op. at 13.

7. The sale of the Line segment between MP 471 and 491 will clearly result in improved transportation for shippers that have been unable to transport rail traffic over such line for several years.

DSR’s retention of a segment of the Corridor for its private benefit derived from railcar storage at the expense of the overall public interest is unwarranted. Most importantly, any continued use of this segment of the Corridor for railcar storage is flatly inconsistent with the goal of restoring consistent rail service over the entire Corridor.

As the evidence submitted with the INFRA Grant Application demonstrates,²⁵ the unaddressed deterioration of the section of the Line between MP 471 and MP 491 has resulted in the diversion of rail freight to trucking. The acquisition and the rehabilitation of that section by LPPC will facilitate the reverse diversion to rail of a high percentage of freight that currently must move over the highway that parallels the entire Line.

In this regard, the massive amount of support for the re-development of the multimodal freight corridor between McGehee and Tallulah speaks for itself. The ability to realize the full benefits of the re-development of Corridor is contingent on the ability to operate safely *over the entire corridor*. That will be impossible if the section of the Line between MP 471 and MP 491 is not rehabilitated along with the remainder of the Corridor.

Without rehabilitation, existing and potential shippers, such as Complex Chemical, Helena Chemical, Consolidated Barge and Grain, RVS and Terral River Services, that need adequate rail service to be able to reach Union Pacific in McGehee from points to the south of MP 471 will not be able to do so. Similarly, existing and potential shippers that wish to reach Kansas City Southern in Tallulah from points north of MP 471 will not be able to do so. Potential southbound shippers include Anderson Group, Consolidated Barge and Grain, Terral River Services, Helena Chemical, Crop Production Services, Epstein Gin and Transload Company, Potlatch-Deltic, Clearwater Paper,

²⁵ See FY 19-20 INFRA, Appendix C, *Benefit-Cost Analysis Supplementary Documentation*, 6.1.2 Environmental Benefits at p.21 and Supplementary Data Tables 9.6 & 9.7 at pp. 41-42.

Livingston Scrap and Pecan, Scott Petroleum, FW Cobbs, John Deer and CHS. As of this moment, LPPC cannot foresee how much freight will be hauled following the completion of the rehabilitation of the entire Corridor. As Epstein explained Sam E. Angel has explained in a letter addressed to Cynthia Brown that supports LPPC's Feeder Application:

Once the tracks are rehabilitated, Epstein Gin and Epstein Transloading intends to expand its sales into Mexico via KCS. This is a new market for us that is dependent upon our being able to ship via NLA, DSR and KCS through Tallulah. Any other routing will not work.²⁶

As the Union Pacific Railroad assessed the situation when it supported SEAEDD's INFRA Grant application before the DOT, "the strategic location of the project provides ready access to the nation's markets via 32,000 miles of Union Pacific track and connectivity to other Class I and short line railroads." That competitive access will not be achieved unless all owners of the Line are fully committed to the full project scope.

Due to the local, regional and national importance of the Project and its significant numerous benefits, the Project attracted the enthusiastic support of all levels of government in both Louisiana and Arkansas, including, in particular, Senators Cassidy and Kennedy from Louisiana and Senators Boozman and Cotton from Arkansas. They clearly recognize and support the rehabilitation of the *entire* Corridor, rather than a piece meal solution. The same is true of members of the House of Representatives and local government officials who represent the businesses that are being harmed by the lack of

²⁶ Exhibit 9.

adequate rail service over the entire Corridor. For that reason, they also support LPPC's Feeder Application.²⁷

It is emphasized that DOT, after prolonged and extensive consideration of all the evidence supplied by SEAEDD, has recognized the national significance of this Project by granting more than \$10 million to rehabilitate the entire Corridor. As explained in the Gilfoil Verified Statement, given the acute need to rehabilitate the entire Corridor to comply with DOT's requirement, LPPC decided to file this Feeder Application only after DSR, by email dated August 21, 2020, confirmed that is not willing to allocate grant funds to rehabilitate the tracks that LPPC seeks to acquire.²⁸ At most, DSR confirmed that it would complete grant work previously outlined in its original estimates dated December 10, 2019, which would leave the rehabilitation of the twenty-mile section of the Corridor in limbo.

As Wyly Gilfoil has also explained:

To comply with the expressed goal of the Project, namely the re-development of the *entire* Corridor, LPPC will do everything in its power to work with SEAEDD, the Madison Parish Port, NLA and all other parties, including DSR. That DSR lacks intent to spend the cash or allocate grant funds to rehabilitate the tracks in question must not allow the goals of the Project to be derailed.²⁹

Given its withdrawal of full support of the Project's explicit goal, DSR should be compelled to sell the twenty miles of track that are the subject of this Feeder Application. While DSR may be content to store idle freight cars over a portion of the Line to the north of MP 491, that storage may not be allowed to

²⁷ See letters of support.

²⁸ V.S. Gilfoil at ¶ 13.

²⁹ *Id.* at ¶ 15.

nullify the efforts of the Ports, shippers, parish and local government officials, as well as Federal and State Senators and Representatives, U.S. DOT and NLA to create a sound rail corridor that will meet the future needs of the companies that will make expanded use of the three port facilities along the Mississippi following the rehabilitation of the entire Corridor.

DSR will continue to provide service over its remaining tracks that link the Corridor to KCS and Madison Parish Port. Nor will DSR be deprived of the benefits earned by virtue of Continental Rail's previous capital investments that allowed DSR to rehabilitate the segment of the Line between MP 500 and MP 491 in 2017. Those revenues, along with interchange revenues, will continue to accrue to DSR's benefit without it having to fund the required rehabilitation of the 20-miles of track at issue herein.

L. Election of Exemption from the Provisions of Title 49 (49 CFR 1151.3(a)(12))

Applicant does not seek to be exempt from the provisions of Title 49, U.S.C. at this time.

M. Trackage Rights Sought Over the Owning Railroad (49 CFR 1151.3(a)(13))

Applicant does not seek trackage rights over DSR's tracks. Following LPPC's acquisition of this segment of the Corridor, it will grant trackage rights to NLA.

N. No Joint Rate and Division Agreement (49 CFR 1151.3(a)(14))

Applicant does not request the establishment of joint rates and divisions at this time.

O. Owning Railroad's Employees Who Service the Line (49 CFR 1151.3(a)(15))

No common carrier service is provided over this segment of DSR's Line. LPPC is not aware that DSR performed any maintenance over this segment of its Line.

II. ENVIRONMENTAL ISSUES

LPPC respectfully submits that the Transaction will not result in any action that would normally require environmental documentation. Plainly, had DSR decided to rehabilitate the segment, no authority or environmental documentation would have been required.

LPPC further notes that in FRA has already undertaken an evaluation of the environmental impact of the entirety of actions covered in the INFRA Grant:

in accordance with NEPA (NEPA 42 U.S.C. 4321 et seq.), other environmental statutes, related regulatory requirements, and FRA's NEPA implementing regulations (23 CFR part 771, Environmental Impact and Related Procedures.

As of this moment, FRA has determined that the preliminary actions funded under the grant are categorically excluded from detailed environmental review pursuant to 23 CFR 771.116(c)(1), (3), and (4). In addition, SEAEDD is required by the terms of the Statement of Work to submit documentation that FRA determines is necessary to comply with the NEPA. Because this Feeder Application is not linked to the need to rehabilitate the entire Corridor, but only the segment that is located between MP 371.0 and 391.0, LPPC submits that there is good cause for the Board to accept its Feeder Application for filing without any duplication of FRA's environment review. The Board should note

that the INFRA Grant Application covers various infrastructure improvements to Port facilities that do not involve the Board's jurisdiction.

In addition, the Benefit-Cost Analysis (BCA) conducted by HDR for SEAEDD demonstrates the absence of any adverse environmental impact from rehabilitating the entire Corridor. HDR's BCA was conducted in conformance with Federal guidance regarding evaluation methods and monetization values recommended by the USDOT in the December 2018 Benefit-Cost Analysis Guidance for Discretionary Grant Programs. To determine the magnitudes of the long-term benefits of the Project, HDR focused on the "incremental volumes of freight that can be handled by rail in lieu of trucks, and the demand growth for freight movements to and from the region."³⁰

As HDR has explained, the demand for freight movements and the associated truck and train volumes "were derived from a detailed assessment of local producers, shippers, and the goods being moved to and from the region. Shipper data for the BCA was derived from interviews and past studies conducted by the local Ports, NLA, and DSR."³¹

The demand projections, based on a 35-year timeframe starting in 2018, indicated that rehabilitation of the entire Corridor would cause the number of trains to increase from zero (0) trains to 62 trains per year moving over the Corridor in 2024 and 122 trains per year moving over the Corridor in 2053.³² Of course, this necessarily assumes that the segment at issue will be reopened

³⁰ Ex. 1, HDR BCA Supplementary Documentation at 17.

³¹ *Id.*

³² *Id.* Table 4 at 18.

for full rail freight service. Because LPPC’s acquisition of the segment of the Corridor will result in a minimal increase in rail freight movements that will not trigger the Board’s thresholds established in 49 CFR § 1105.7(e)(4) or (5), LPPC submits that the proposed transaction does not require environmental documentation.

HDR also determined that the “proposed project would contribute to environmental sustainability through a net reduction in emissions due to reduced freight truck movements and reduced vehicle delay time at several rail crossings.”³³ A comparison of the projected emissions attributed to trucking of NO_x, VOC, PM_{2.5}, SO₂, which are set out in Table 7, when compared with the corresponding projected emissions attributed to rails, which are set out in Table 8, conclusively demonstrates that air quality will be substantially improved by diverting traffic to rail.³⁴ In fact, the projected movement of 122 trains per year in 2053 will result in fewer emissions than current truck movements.

Given the foregoing, and consistent with Board precedent, there is no need for the Board to undertake an additional environmental review under NEPA. *See, e.g., KCVN, LLC and Colorado Pacific Railroad, LLC-Feeder Line Application—Line of V and S Railway, LLC, Located in Crowley, Pueblo, Otero, and Kiowa Counties, Colorado*, slip op. at 16; *Missouri Central Railroad Company—Acquisition and Operation Exemption—Lines of Union Pacific Railroad*

³³ *Id.* at p. 21.

³⁴ *Id.* at p. 23.

Company, FD 33408, slip op. at 7 (STB served Apr. 30, 1998) (finding that where there had been no recent traffic on a rail line that would be reactivated, the relevant threshold for environmental review is eight trains per day), *aff'd sub nom. Lee's Summit, Mo. v. STB*, 31 F.3d 39, 42 (D.C. Cir. 2000).

As the foregoing demonstrates, rail freight operations over the entire Corridor will vastly improve the current environmental situation. Furthermore, because resumption of rail service over the segment of the Corridor will ultimately result in only two weekly trains, there is no potential whatsoever for a significant adverse environmental impact following the rehabilitation of the twenty miles of track between Milepost 471 and 491 and the reopening of the entire Corridor.

III. CONCLUSION

For all of the above-stated reasons, the Board should grant LPPC's Feeder Line Application. To hasten the release of the Grant Funds that will allow rehabilitation of the Corridor to commence, the Board is requested to expedite consideration of this application.

Respectfully submitted

/s/ Richard H. Streeter

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November 10, 2020

Exhibit 1
FD No. 36447
Lake Providence Port Commission
Feeder Line Application
Line of Delta Southern Railroad
Located in East Carroll and
Madison Parishes, Louisiana

Southeast Arkansas and Northeast Louisiana
Multimodal Freight Corridor Improvement Project
FY 19-20 INFRA Grant Application

Southeast Arkansas Economic Development District

Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project



Madison Parish Port, LA
Port of Lake Providence, LA
Yellow Bend Port, AR
Delta Southern Railroad
North Louisiana & Arkansas Railroad

FY 19-20 INFRA



Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project

Project Name: Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project

Project Sponsor: Southeast Arkansas Economic Development District

Was an INFRA application for this project submitted previously?

Yes; in
FY 2017

(If yes, please include title)

(Same as above)

PROJECT COSTS

INFRA Request Amount	\$25,689,421
Estimated Federal Funding (excluding INFRA)	\$0
Estimated Non-Federal Funding	\$19,315,000
Future Eligible Project Cost	\$45,004,421
Previously Incurred Project Cost	\$14,433,608
Total Project Cost	\$59,438,029

Are matching funds restricted to a specific project component? If so, which one?

No

PROJECT ELIGIBILITY

Approximately how much of the estimated future eligible project costs will be spent on components of the project currently located on National Highway Freight Network?	\$0.00
Approximately how much of the estimated future eligible project costs will be spent on components of the project currently located on National Highway System?	\$0.00
Approximately how much of the estimated future eligible project costs will be spent on components constituting railway-highway grade crossing or grade separation projects?	\$452,400
Approximately how much of the estimated future eligible project costs will be spent on components constituting intermodal or freight rail projects, or freight projects within the boundaries of a public or private freight rail, water (incl ports) or intermodal facility?	\$44,552,021

PROJECT LOCATION

State(s) in which project is located	Arkansas & Louisiana
Small or large project	Small
Urbanized Area in which project is located, if applicable	Not Applicable
Population of Urbanized Area	Not Applicable
Is the project currently programmed in the:	
• TIP	No
• STIP	Yes
• MPO Long Range Transportation Plan	Not Applicable
• State Long Range Transportation Plan	Yes *
• State Freight Plan?	Yes *

* included in both Arkansas and Louisiana Plan

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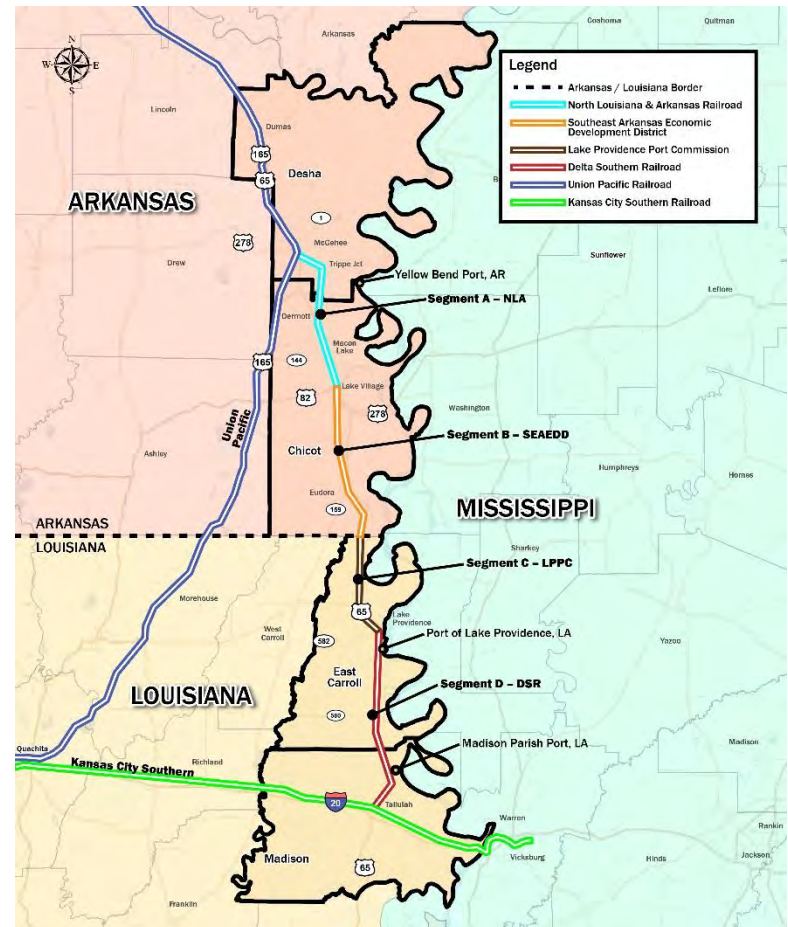
Appendices

- Appendix A:** Figures and Supporting Documentation
- Appendix B:** Letters of Support
- Appendix C:** Benefit-Cost Analysis Supplementary Documentation

1.0 Project Description

The Southeast Arkansas Economic Development District (SEAEDD), Lake Providence Port Commission (LPPC), the Madison Parish Port Commission (MPPC), the Chicot-Desha Metropolitan Port Authority, the North Louisiana & Arkansas Railroad (NLA), and the Delta Southern Railroad (DSR) are partnering to re-develop a multimodal freight corridor located along a 100-mile-long section of the Mississippi River (the designated M-55 Marine Highway) between McGehee in rural Southeast Arkansas, south to Tallulah in rural Northeast Louisiana (**Figure 1**). The Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project (the Project) is a unique public-private partnership (P3) between a state economic development agency (SEAEDD), three public ports (Port of Lake Providence, Madison Parish Port and Yellow Bend Port), and two private short line railroads (NLA and DSR). Located in one of the most severely economically distressed regions of the US, the Project is located in Desha and Chicot Counties, AR, and in East Carroll and Madison Parishes, LA.

Figure 1: Multimodal Freight Corridor Improvement Project



The Port of Lake Providence, located near Lake Providence, LA in East Carroll Parish, is Louisiana's largest inland port and ships over 1.3 million tons of freight annually. The Madison Parish Port, located 6 miles north of Tallulah, LA ships approximately 750,000 tons of freight annually. Yellow Bend Port, an inland slackwater harbor port, handles approximately 500,000 tons of cargo annually. Each of these port facilities are located on the batture of the Mississippi River, and the land has been raised to protect them from Mississippi River flooding. The ports are located in an agricultural section of the delta region and primarily serve area farmers by providing storage and shipping solutions for grain and fertilizer. In addition to agricultural products, the ports handle aggregates, building materials, and other commodities for shippers and receivers, including steel. The Louisiana ports also have warehouses available for storage of many different commodities and provide multimodal access to barge, rail, and truck transportation services. The ports develop and lease land to river-related industries and terminals, and several terminal companies provide freight transfer between barge, rail, and truck. Tenants pay land rent and freight tonnage rent; the ports are self-supporting and their operation is not subsidized by the jurisdictional parishes and counties where the ports are located.

This section of the Mississippi River between McGehee and Tallulah is also served by a parallel 91.3-mile continuous short line railroad corridor of commerce that interfaces directly with the existing Port of Lake Providence and Madison Parish Port (and a yet-to-be constructed rail connection to the separate Port of Yellow Bend near Arkansas City, AR); several local railroad shippers; and three other railroads with local, regional, national, and international connections. US Highway 65 (US 65) parallels the McGehee-Tallulah Railroad Corridor.

The McGehee-Tallulah Railroad Corridor was developed as part of a route of a predecessor of the Missouri Pacific Railroad (MP) in the Mississippi Delta between Memphis, Tennessee; Helena, Arkansas; Vidalia, Louisiana; and Natchez, Mississippi, along the west side of the Mississippi River, during the early 1900s. MP was acquired by Union Pacific Railroad (UP) in 1982. In 1989, Delta Southern Railroad acquired the 91.3 mile railroad between McGehee and Tallulah from UP in order to preserve local rail service. The McGehee-Tallulah Railroad Corridor is connected to two major Class I railroads with regional, national, and international reach including the UP Railroad at McGehee, AR, and the Kansas City Southern (KCS) Railway at Tallulah, LA. The KCS parallels Interstate 20 (**Figure 1**).

Much of McGehee-Tallulah Railroad Corridor had been closed or underutilized for approximately 15 years. During this period, which is consistent with the overall economic decline of the region, there was a decrease in demand for freight rail service. Coupled with overall maintenance neglect, this left the DSR in poor condition (**Figure 2**). Eventually, rail service ceased due to difficulties operating over substandard rail infrastructure, and DSR filed to abandon the majority of the rail corridor from Lake Providence northward to McGehee due to unprofitability. In an effort to save the corridor from abandonment, the Southeast Arkansas Economic Development District and Lake Providence Port Commission collectively acquired 60 miles of the track between 2008 and 2011. Their goal was to preserve rail service to spur economic development and to provide transportation connectivity with the Class I railroads. The North Louisiana and Arkansas Railroad now operates rail service along this portion of the corridor.



Figure 2: McGehee-Tallulah Railroad Corridor Existing Track Conditions

The current ownership and operators of the continuous 91.3-mile rail corridor between McGehee and Tallulah is shown by corridor segment (Segment A – D) in **Table 1**.

Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project

Table 1: McGehee-Tallulah Railroad Corridor Ownership and Operator by Segment

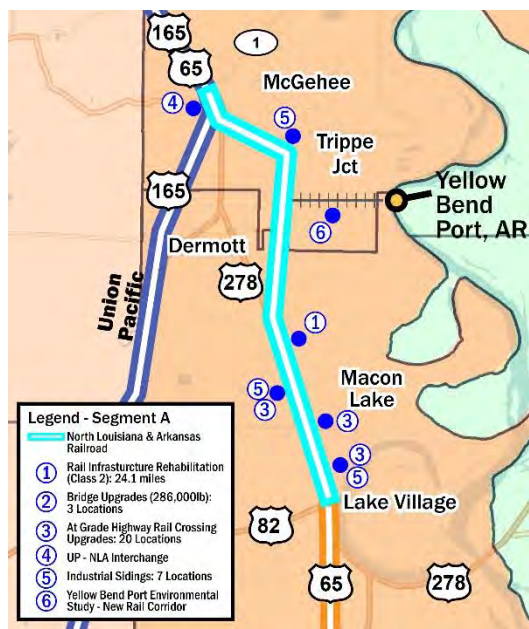
	Railroad Line Segment	Mileage / Railroad Mileposts	Current Owner	Current Operator
A	McGehee, AR to Lake Village, AR	24.1 miles (MP 408.9 to MP 433.0)	North Louisiana & Arkansas Railroad	North Louisiana & Arkansas Railroad
B	Lake Village, AR to Arkansas-Louisiana State Line	21.8 miles (MP 433.0 to MP 454.8)	Southeast Arkansas Economic Development District	North Louisiana & Arkansas Railroad under lease
C	Arkansas-Louisiana State Line to Lake Providence, LA	16.2 miles (MP 454.8 to MP 471.0)	Lake Providence Port Commission	North Louisiana & Arkansas Railroad under lease
D	Lake Providence, LA to Tallulah, LA	29.2 miles (MP 471.0 to MP 500.2)	Delta Southern Railroad	Continental Rail

The rail line is also connected to local short line Arkansas Midland Railroad in McGehee, AR. The NLA and DSR connect with each other at Lake Providence, LA.

Portions of the rail line were partially rehabilitated by SEAEDD and its partners and placed back into continuous service in 2016. Although partially rehabilitated, some of the track on the main line is comprised of the original lightweight rail of 85 pounds (lb.) and is classified as Federal Railroad Administration (FRA) "Excepted" Track allowing for train operations less than 10 miles per hour (mph). Other portions include 115 lb. rail updated to Class 1 (10 mph) and Class 2 (25 mph). These conditions and constraints of the existing legacy tracks and rail bridges provide impediments to accommodating loaded freight cars with a maximum allowable gross weight of 286,000 lbs. along the entire corridor, which is the current and heavier industry standard for freight transportation by rail (see **Figure 2**).

Project Details

The purpose of the Project is to leverage the strength of recent rail rehabilitation investment in connecting multimodal transportation facilities in the region and a long-standing public-private partnership and related long-term planning between local public agencies (including the ports), area railroads, and other regional stakeholders to develop a project with several direct benefits to rural communities through rehabilitation of existing railroad infrastructure on the McGehee-Tallulah Railroad Corridor and construction of new infrastructure at the ports. These Project improvements accruing to a rural region will catalyze greater opportunities for economic development, job creation, rail system preservation/state of good repair, freight system efficiency and greatly enhance access to domestic multimodal transportation and the global marketplace for local industries and shippers. Furthermore, the Project will reduce truck traffic on the area roadway network, with known capacity and safety needs, through diversion of freight from truck to rail. The Project improvements are described by segment as follows.

Figure 3: Segment A Map**SEGMENT A – NLA including Yellow Bend Port**

NLA Rail Rehabilitation – Segment A (Figure 3) extends from McGehee, AR (MP 408.9) to Lake Village, AR (MP 433.0). Rail rehabilitation in Segment A includes 24.1 miles of rail infrastructure rehabilitation to FRA Class 2 Track allowing for train operations up to 25 mph, three bridge upgrades (to handle 286,000 lb. railcars), and 20 highway-rail grade crossing upgrades.

Railroad Connectivity – Segment A includes rail to rail connectivity upgrades at the UP-NLA interchange in McGehee, AK providing NLA a more efficient, direct interchange with UP. The UP-NLA interchange includes 1,250 feet of connector track and 3,400 feet of interchange track.

NLA Rail Connectivity to Users/Tenants – Several new industrial leads and sidings in Segment A would improve the efficiency of customer switching

operations, including 7,700 feet of lead track to the Lake Village Industrial Park, including required right-of-way; and 1,860 feet of Lake Village House siding track east of US 65. The Lake Village Industrial Park has one user that would immediately divert business from truck to rail.

Environmental – Segment A also includes the Yellow Bend environmental assessment (EA) to investigate the feasibility and impacts of a new 6-mile rail line connecting NLA near Trippe Junction to the Yellow Bend Port. In 2008, an EA was completed for an 8.1 mile rail connection and in August 2009 the USDOT issued a Finding of No Significant Impact (FONSI) for the projects preferred alternative. However since then industrial development has taken place beyond the original limits of the initial EA study limits. This industrial growth has identified a greater need for a rail-port connection to serve a different set of industrial tenants located nearby, resulting in a shorter 6-mile connection; thus a new EA is warranted.

SEGMENT B – SEAEDD

SEAEDD Rail Rehabilitation – Segment B (Figure 4) extends from Lake Village, AR (MP 433.0) to the Arkansas/Louisiana state line (MP 454.8). Rail rehabilitation in Segment B includes 22.1 miles of rail infrastructure rehabilitation (FRA Class 2 Track) allowing for train operations up to 25 mph, and 15 highway-rail grade crossing upgrades.

Figure 4: Segment B Map

SEAEDD Rail Connectivity to Users/Tenants – Segment B includes 1,540 feet of industrial siding track at Big River Rice and Grain (an Agspring company) west of US 65 in Eudora, AK.

SEGMENT C – LPPC including Lake Providence Port

LPPC Rail Rehabilitation – Segment C (Figure 5) extends from the Arkansas/Louisiana state line (MP 454.8) to Lake Providence, LA (MP 471.0). Rail rehabilitation in Segment C includes 16.2 miles of rail infrastructure rehabilitation (FRA Class 2 Track) allowing for train operations up to 25 mph, 14 highway-rail grade crossing upgrades, and 6,600 feet of track for the proposed NLA-DSR interchange.

Lake Providence Port Infrastructure – Segment C includes a rail extension to the Port of Lake Providence including 2,100 feet of new track (Figure 6). The Lake Providence Port industrial facilities include Agspring's Big River Rice and Grain barge loading conveyor and grain storage bin, and the Myriant Chemical Plant.

Figure 5: Segment C Map

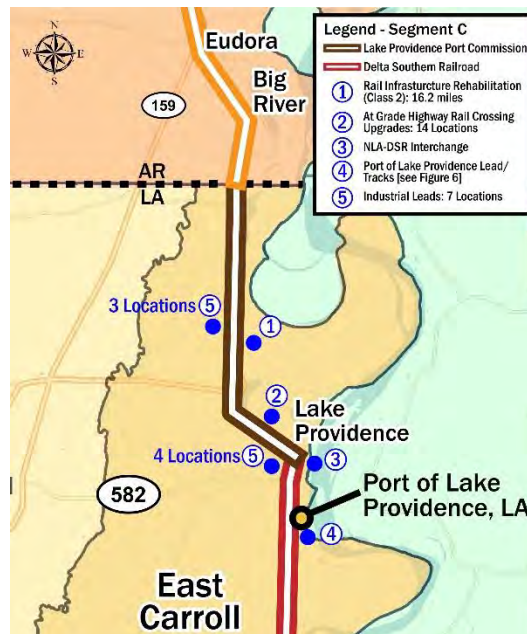
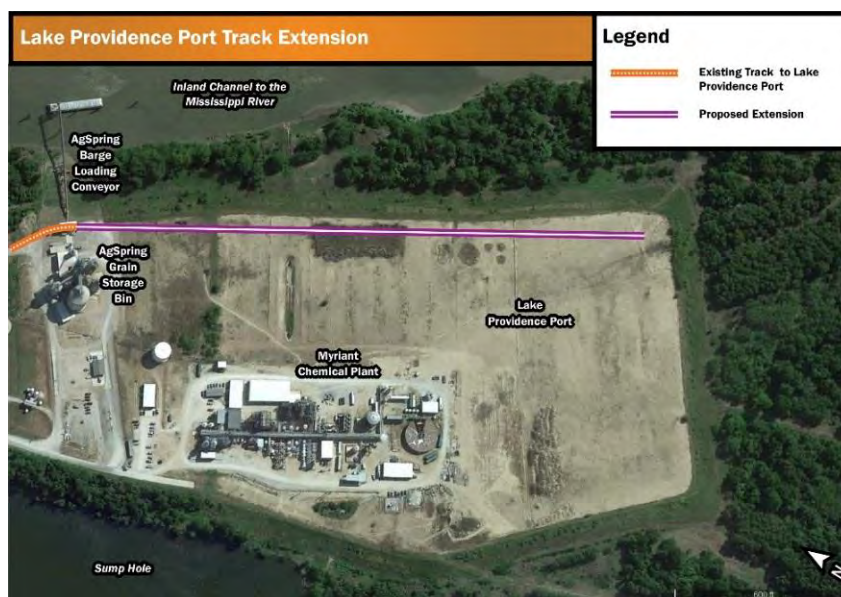


Figure 6: Lake Providence Port Track Extension



LPPC Rail Connectivity to Users/Tenants – Segment C includes new or upgraded industrial leads and sidings: 1,550 feet of track to the Big River Rice and Grain facility in Lake Providence; 1,700 feet of track to Shelburn Grain west of US 65; 350 feet of lead track to the John Deere facility in Lake Providence; a 1,500-foot extension of the siding track at the Lake Providence Pass; and 1,697 feet of track to Lansing Grain in Lake Providence, all of which would enhance railroad capacity and divert business from truck to rail.

SEGMENT D – DSR including Madison Parish Port

DSR Rail Rehabilitation – Segment D (Figure 7) extends from Lake Providence, Louisiana (MP 471.0) to where the rail line connects with Kansas City Southern in Tallulah, Louisiana (MP 500.2). Rail rehabilitation in Segment D includes 28 miles of rail infrastructure rehabilitation (FRA Class 2 Track) allowing for train operations up to 25 mph and four bridge upgrades (to handle 286,000 lb. railcars).

Madison Parish Port Infrastructure – Segment D includes existing track to Madison Parish Port from the DSR mainline track heading directly east towards the Mississippi River and then turning south across Port Elevator Road. Segment D improvements include a proposed lead extension back to the mainline with a length of 9,000 feet (Figure 8).

Figure 7: Segment D Map



Figure 8: Madison Parish Port Lead Extension





Figure 9: Madison Parish Port Double Lead

Port-rail connectivity improvements within Segment D would also include double tracking 12,000 feet of the lead and a proposed lead extension (Figure 9).

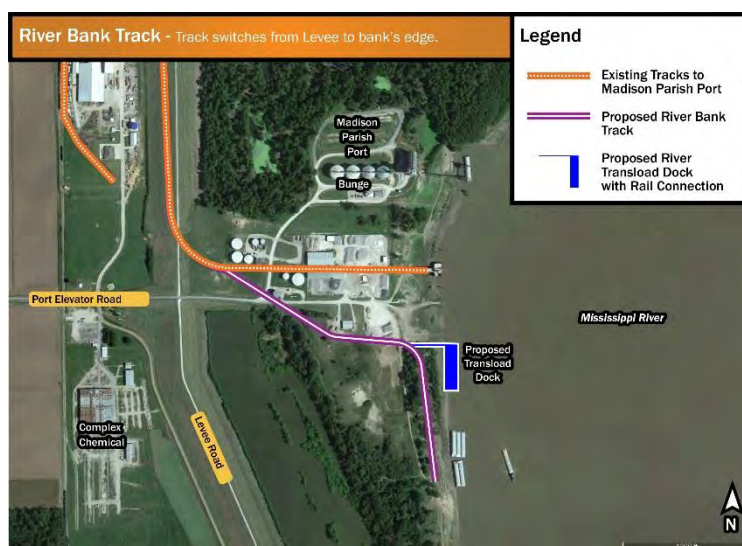


Figure 10: Madison Parish Port River Bank Track and Transload Dock

Another component of the Madison Parish Port infrastructure improvements is 5,800 feet of new track to the west bank of the Mississippi River and a proposed river transload dock (Figure 10). These projects will enhance the capacity, efficiency, and safety of railroad operations and multimodal transportation access.

Several highway-rail grade crossings would be upgraded throughout the McGehee-Tallulah Railroad Corridor. The planned rehabilitation will make these crossings into safer, smoother crossing points for the public, and will reduce the time that a train occupies a crossing, thus reducing congestion and enhancing mobility on the region's multimodal network. **Table 2** lists the US highway and state route crossing locations within Arkansas that would be upgraded under the Project. Other local and private at-grade highway crossings would also be improved.

Table 2: Highway-Rail Grade Crossing Locations

Location	DOT Crossing Number
US Hwy 65, McGehee	425686P
Arkansas Hwy 35	425682M
Arkansas Hwy 144	425718T
Arkansas Hwy 160	426028V
Arkansas Hwy 257	425713J

Project Benefits

The following benefits will be achieved through the following infrastructure investments undertaken for the Project:

- Enhanced railroad transportation operating capacity, efficiency, and safety by upgrading the McGehee-Tallulah Railroad Corridor and its connecting branch lines to the Port of Lake Providence and Madison Parish Port, to FRA Class 2 Track allowing for train operations up to 25 mph and elimination of existing weight restrictions on bridges that would preclude accommodation of loaded freight cars with a maximum allowable gross weight of 286,000 lbs.
- Enhanced railroad connectivity through development of a more direct and efficient interchange of railcars between the NLA and the UP in McGehee, and between NLA and DSR at the Port of Lake Providence facility via a new interchange track that can accommodate carload and unit train interchange between the two short lines.
- Improved rail access and capacity at the Port of Lake Providence via a rail extension to its southern property line.
- Madison Parish Port upgrades including track extensions, double track, and a transload dock to enhance multimodal connectivity between port and rail modes.
- Enriched capacity, efficiency, and safety of railroad switching and service operations via the rehabilitation of the majority of current rail sidings and industrial leads on the McGehee-Tallulah Railroad Corridor.
- Improved safety at highway-rail grade crossings on the McGehee-Tallulah Railroad Corridor via the upgrade of grade crossing surfaces, signal infrastructure, and signage at select locations; there are 49 grade crossings in the corridor in need of upgrades.
- Future railroad connectivity and economic development opportunity throughout the corridor through a future freight rail connection to the Yellow Bend Port.
- Enhanced economic development through additional rail business opportunity throughout the entire corridor. Existing tenants and port representatives have indicated that the multimodal infrastructure upgrades would attract new business.

2.0 Project Location

The Project is located on a multimodal freight corridor situated along a 100-mile-long section of the Mississippi River (the designated M-55 Marine Highway) between McGehee in rural Southeast Arkansas south to Tallulah in rural Northeast Louisiana that also includes a parallel 91.3-mile short line railroad corridor (**Figure 1** above). The Mississippi River is authorized to support 12-foot navigation, but is maintained for a 9-foot draft (**Figure 11**). Within the Project limits, the Mississippi River is designated as the West Bank Mississippi River Levee (MRL) System, segment “MS River Levee, West Bank (Louisiana)” and the Mississippi River federal navigation channel.

Figure 11: Project Corridor Location



In terms of area roadway connections for supporting truck transportation in Southeast Arkansas and Northeast Louisiana, US Highway 65 (US 65) closely parallels the railroad corridor between McGehee and Tallulah, and Interstate 20 (I-20) is located on the south end of the Project. US 65 is primarily a 2-lane arterial throughout the project limits. I-20 in Louisiana, which runs through Tallulah, is a designated segment of the National Highway Freight Network, an important east-west transcontinental interstate highway and trade route (**Figure A-1; Appendix A**). The KCS parallels I-20 throughout Louisiana and is designated a part of the Tier I National Primary Freight Network (**Figure A-2; Appendix A**).

The proposed route of Interstate 69 – a major domestic and international trade corridor under development between the US/Canada border at Port Huron, Michigan, and the US/Mexico border in Texas – is anticipated to be routed through the McGehee area. A portion of the Monticello Bypass in Drew County (to be identified as I-69) is under construction, and project development is underway between Monticello and US 65 (**Figure A-3; Appendix A**).

3.0 Project Parties

The Southeast Arkansas Economic Development District is the primary applicant for the requested INFRA Grant funding. The other public and private project partners include the Lake Providence Port Commission, Madison Parish Port Commission, Yellow Bend Port, DSR, and NLA. Brief descriptions of each of these project parties are provided below.

Southeast Arkansas Economic Development District (SEAEDD) – SEAEDD was organized and began operation in 1967 under the provisions of the United States Public Works and Economic Development Act of 1965. Headquartered in Pine Bluff, Arkansas, SEAEDD serves 10 counties in Southeast Arkansas: Arkansas, Ashley, Bradley, Chicot, Cleveland, Desha, Drew, Grant, Jefferson and Lincoln. With a staff consisting of 11 highly professional individuals experienced in economic development, community development, workforce training, and waste management, SEAEDD assists local governments with administering grants and program opportunities made available from state and federal sources.



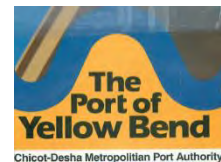
Lake Providence Port Commission – The Lake Providence Port Commission (LPPC) was created in 1958. The Lake Providence Port is an inland shallow-draft port located on the Mississippi River (River Mile 484) in Lake Providence, East Carroll Parish, LA. The Lake Providence Port is one of the top 20 US inland ports and ships over 1.3 million tons annually. The port is the largest inland port in Louisiana, and is the second leading Louisiana port in tonnage among the state's network of inland ports. The Port ranks third in operating revenue. The Port of Lake Providence is a unique port among Louisiana's network of ports. **It is Louisiana's largest inland port operating as a high-capacity agricultural niche port.** The port handles inbound commodities such as aggregates, coal, dry and liquid fertilizer, forest products, lime, and tire chips and outbound commodities such as cottonseed and grain. The port is easily accessible to ground transportation by US 65 and is serviced by both the DSR and the NLA. Port tenants include Myriant, Helena, Bunge North America, Big River Rice & Grain, Terral River Service, Crop Production Services, and CHS.





Madison Parish Port Commission – The Madison Parish Port Commission (MPPC) was created by Act 369 of the 1966 Session of Louisiana Legislature as the governing authority of the Madison Parish Port Harbor and Terminal District. The primary object and purpose of the MPPC is to fully develop the 266-acre port and industrial site along the Mississippi River to stimulate and encourage economic development in Madison Parish, LA through commerce, industry and tourism and for the utilization and development of natural and human resources of the area and provide job opportunities. Primary cargo handled at the port inbound includes aggregates, lime, dry and liquid fertilizer, cottonseed, grain, and steel. Outbound commodities include aggregates, lime, dry and liquid fertilizer, cottonseed, grain and steel. **Madison Parish Port is the region's largest chemical niche port.** Overall Annual Tonnage is 750,000 tons (2017). The port has direct access to the Mississippi River (River Mile 457) approximately 6 miles north of I-20. A full service dock, with rail spur allows access while providing safe harbor. The typical draft depth at the dock is at least 20 feet throughout the majority of the year. The port's current tenants include DSR, Bunge North America, CHS, Complex Chemical, Helena Chemical, Jimmy Sanders, Lansing Grain, and Terral River Service.

Yellow Bend Port – Located on the Mississippi River just south of Arkansas City, the Yellow Bend Port is a slack-water harbor that is easily accessible through a 250-foot-wide entrance to a 350 by 810 foot turning basin. Its location on the Mississippi River makes it one of the most convenient port locations on the inland waterway system, and it is convenient to I-20 in Tallulah. The future Interstate 69 corridor is located 6 miles north of the port. Yellow Bend Port reported 477,000 tons of cargo moving through their facility in 2013 which consisted of receipt and shipment of general cargo and steel products and shipment of cottonseed, grain and other miscellaneous dry-bulk commodities. In addition to port facilities, Yellow Bend has large tracts of land zoned for industrial use. **The Yellow Bend Port is one the region's largest handlers of wood chips and pellets.**



Delta Southern Railroad (DSR) – Continental Rail purchased DSR in 2016 for the portion of the McGehee-Tallulah Railroad Corridor that extends between Tallulah north to Madison Parish Port and then to the Lake Providence Port; 29.2 miles. The DSR has two separate rail lines in LA and operates as two divisions—the Sterlington Division in Monroe, and the Lake Providence Division in Tallulah. The two divisions operate under common staff headquartered in an owned and recently renovated office building at the Madison Parish Port. The DSR was previously poorly maintained and a \$2 million capital infrastructure investment allowed Continental Rail to open the rail line in 2017 which had not hosted rail traffic in almost 20 years. Major commodities currently carried by DSR include grain, aggregates, agricultural products, cotton, coal, chemicals, fertilizer, forest products, sand clay, and soda ash.

North Louisiana & Arkansas Railroad (NLA) – The NLA operates over 62 miles of line from McGehee, AK, to Lake Providence, LA, which was formerly owned by the DSR, and today a part of the McGehee-Tallulah Railroad Corridor. NLA owns 24 miles of the short



line and leases approximately 41 miles of railroad from LPPC and SEAEDD. Rail traffic includes agricultural and industrial commodities.

Project Supporters – Due to the local, regional and national importance of the Project and its significant numerous benefits, project supporters include numerous elected officials from both Arkansas and Louisiana consisting of: US and State Senators; US and State House of Representatives; and county, parish and local government officials. Other project supporters from Arkansas and Louisiana are: economic development agencies; State departments of transportation; industry representatives; key stakeholders (port and rail); and local businesses. These entities are listed in **Appendix B** along with their Letters of Support.

4.0 Grant Funds, Sources, and Uses of all Project Funding

SEAEDD and its partners are requesting \$25.7 million (57.1%) in INFRA Grant funding to be matched by \$19.3 million (42.9%) in the form of a combination of public and private funds for this \$45 million future eligible cost.

Previous Incurred Expenses – Previously Incurred Project Costs are not accounted for as matching contributions toward Future Eligible Project Costs, but clearly convey that SEAEDD and its partners are committed to bringing the rail corridor closer to a state of good repair. Further implementation of the necessary infrastructure upgrades associated with this INFRA Grant funding request are identified as critical rail infrastructure needs in both the Arkansas and Louisiana State Rail Plans. The Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project is a true public-private partnership with each of the partners previously incurring \$14.4 million in expenses towards partial rail rehabilitation simply to resume service on the line (**Table 3**). Furthermore, DSR plans additional renovations in Segment D in the first quarter of 2019. Expenditures to-date represent the commitment by SEAEDD and its partners as to the viability of this multimodal project. No federal funds have been utilized for previously incurred project expenses for the Project.

Table 3: Previously Incurred Project Expenses

Owner/ Project Partner	Project Component	Previous Expense	Percent Previous Expense
Southeast Arkansas Economic Development District	Bridge and rail rehabilitation, signal upgrades and engineering	\$4,111,430	28%
Lake Providence Port Commission	Bridge and rail rehabilitation	\$2,238,107	16%
Madison Parish Port Commission	Structures and rail rehabilitation, including material	\$1,784,071	12%
North Louisiana & Arkansas Railroad	Rail rehabilitation	\$4,000,000	28%
Delta Southern Railroad	Rail rehabilitation	\$2,300,000	16%
Total		\$14,433,608	100%

Future Eligible Costs – A breakdown of construction and other costs by corridor segment and the uses of the funds are shown in **Table 4**. As part of the rail rehabilitation throughout the northern portion of the corridor, the construction cost estimates for Segments A to C assume the following:

- **Segment A** – Replacement of 50 percent of the railroad ties and 3.25 miles of track will be relaid with heavier 115 lb. rail from the UP-NLA McGehee interchange to Trippe Junction.
- **Segment B** – Replacement of 13 percent of the railroad ties.
- **Segment C** – Replacement of 35 percent of the railroad ties.

Table 4: Future Eligible Costs by Segment

Segment A - NLA including Yellow Bend Port	
Component	Cost Estimate
Rail Infrastructure Rehabilitation (Class 2)	\$ 5,543,167
Bridge Upgrades (286,000 lb)	\$ 150,000
At Grade Highway Rail Crossing Upgrades	\$ 255,000
Miscellaneous (Anchors)	\$ 75,916
UP - NLA Interchange	\$ 1,815,000
Industrial Sidings	\$ 3,487,220
Subtotal (1)	\$ 11,326,303
Right-of -way Acquisition (Lake Village Industrial)	\$ 35,000
Yellow Bend Environmental Study - New Rail Corridor	\$ 300,000
Subtotal (2)	\$ 11,661,303
Project Development (4%)	\$ 466,452
Total	\$ 12,127,755

Segment B - SEADD	
Component	Cost Estimate
Rail Infrastructure Rehabilitation (Class 2)	\$ 1,891,657
At Grade Highway Rail Crossing Upgrades	\$ 180,000
Miscellaneous (Anchors)	\$ 34,808
Big River Loading	\$ 582,000
Eudora Siding	\$ 71,540
Subtotal	\$ 2,760,005
Project Development (4%)	\$ 110,400
Total	\$ 2,870,405

Segment C – LPPC including Lake Providence Port

Component	Cost Estimate
Rail Infrastructure Rehabilitation (Class 2)	\$ 2,564,784
Miscellaneous (Anchors)	\$ 51,030
NLA-DSR Interchange	\$ 2,160,000
Industrial Leads	\$ 2,422,960
Port of Lake Providence Lead/Tracks	\$ 885,400
Subtotal	\$ 8,084,174
Project Development (4%)	\$ 323,367
Total	\$ 8,407,541

Segment D - DSR including Madison Parish Port

Component	Cost Estimate
Rail Infrastructure Rehabilitation (Class 2)	\$ 11,448,000
Bridge Upgrades (286,000 lb)	\$ 1,000,000
Track to River Bank	\$ 1,395,000
Lead Extension Back to the Main	\$ 2,295,000
Doubling the Lead Track	\$ 2,880,000
River Transload Dock	\$ 1,750,000
Subtotal	\$ 20,768,000
Project Development (4%)	\$ 830,720
Total	\$ 21,598,720

Total Future Eligible Costs Segments A-D \$ 45,004,421

Committed Funding Sources – SEAEDD and their partners are committed to delivering the Project and will collectively contribute approximately \$19.3 million in the form of a combination of public and private funds as shown in **Table 5**.

Table 5: Public and Private Funding Match Sources and Amounts

Owner / Project Partner	Funding Source	Amount	Funding Percent
SEAEDD	Public, State – Delta Regional Authority (DRA)	\$150,000	1%
LPPC	Public, State – Port Priority Program	\$8,300,000	43%
MPPC	Public, State – Port Priority Program	\$10,480,000	54%
NLA	Private – NLA Contribution	\$385,000	2%
	Total	\$19,315,000	100%

Table 6 summarizes the commitment of public and private funds, and the requested amount of INFRA funding necessary to complete the Project.

Table 6: Committed Funding Sources for Future Eligible Costs

Owner / Project Partner	Description	Amount	Funding Percent
SEAEDD and its Partners	Applicant / Partners	\$19,315,000	42.9%
US Department of Transportation	INFRA Grant Funds Administrator	\$25,689,421	57.1%
Total		\$45,004,421	100%

5.0 Merit Criteria

Criterion #1: Support for National or Regional Economic Vitality

The Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project will provide a severely economically distressed rural region of the country with an immediate impact on regional economic development opportunities by providing the region's producers and shippers with an expanded and more cost-effective manner to transport their goods to regional, national, and international markets. All labor and materials that will be required to complete the Project will be locally sourced, allowing for an immediate opportunity to provide jobs and other positive impacts.

The three ports and the two connecting short line railroads provide a complimentary range of services to the region's shippers. The Lake Providence Port is a high-capacity agricultural niche port, the Madison Parish Port is the region's largest chemical niche port, and the Yellow Bend Port is one the region's largest handlers of wood chips and pellets. This specialization of the ports leads to very little competition between them and allows the partnering short line railroads an opportunity to provide cost-competitive common carrier service to a number of different industries. The improved rail infrastructure will allow for the handling of an even larger variety of commodity types by the railroads and ports.

In 2011, the Mississippi River experienced record flooding, and in 2012, the river was at low water flow levels. Both events caused numerous barge shipping challenges and delays. The requested improvements to the McGehee-Tallulah Railroad Corridor would provide an alternate method for the shipment of goods along the corridor and also provide minimal delays to goods moving east and west along the UP and KCS railroads. Disruptions in the shipment of services to these ports would severely impact the farming in the area and distribution of construction materials and shipments of chemicals to plants to the south that then ship goods to the global marketplace. The NLA is designated as a Critical Rural Freight Corridor within Arkansas (**Figure A-4; Appendix A**).

Demographics and Economic Conditions

Desha and Chicot Counties, AK and East Carroll and Madison Parishes, LA are located in the Delta Region of the southern United States, which includes some of the most impoverished

areas in the Nation. All four of these counties/parishes are identified by the Delta Regional Authority as economically distressed counties. The economies of these rural communities depend largely on agriculture. Farming has transitioned from cotton and now includes corn, soybeans, and rice as the primary crops. The most important quality of life issue in these areas is the ability to obtain a good paying job. The area's employment is primarily based on minimum wage salaries in the agricultural and service sectors of the economy. Job opportunities in the agricultural sector continue to decline due to automation of agricultural operations and consolidation of small family type farms into fewer, larger farms. Given the lack of employment opportunities, these counties/parishes have experienced a steady decline in population. The slow population migration from the area will not reverse unless the area sees positive economic growth through economic and community development and the creation and retention of new jobs. **Table 7** illustrates several demographic issues facing these counties/parishes, including their rural geography, high rates of population outmigration, below average incomes, high rates of poverty, and high rates of unemployment.

- **Rural Population** – The average population in the area is approximately 18 people per square mile, compared to a national average of 87 people per square mile.
- **Population Outmigration** – A high rate of outmigration can be seen by the population change in these counties/parishes from 2010 to 2017 ranging from a -6.5 to -9.9 percent population change as compared to the national population increase of 5.5 percent over the same period.
- **Income Levels** – The average median household income for the area is approximately \$27,400, which is less than half of the national average. Similarly, the average per capita income is approximately \$17,100, which is about half of the national average.
- **Poverty Rate** – The average poverty rate for the area is 36 percent, which is almost three times the national rate. The poverty rate is highest in East Carroll Parish, Louisiana at 46.7 percent, which is more than three times the national rate.
- **Unemployment** – In December 2018, East Carroll Parish had the highest unemployment rate in the area at 10.5 percent, which was more than twice the national unemployment rate. In the same month, Madison Parish, Chicot County, and Desha County had unemployment rates of 7.4 percent, 7.2 percent and 4.6 percent, respectively (www.homefacts.com/unemployment.html).
- **Rural Population Growth** – While Arkansas's population is expected to surpass 3.3 million by 2040, Desha and Chicot counties are projected to continue to experience a decline in population between 2010 and 2040 (**Figure A-5: Appendix A**)

Table 7: Demographics for Desha and Chicot Counties, Arkansas and East Carroll and Madison Parishes, Louisiana

County/ Parish; State	POPULATION & GEOGRAPHY			INCOME & POVERTY		
	Population Estimates, July 1, 2017	Population, Percent Change – April 1, 2010 (estimates base) to July 1, 2017	Population per Square Mile, 2010	Median Household Income (in 2017 dollars), 2013-2017	Per Capita Income in Past 12 Months (in 2017 dollars), 2013-2017	Percent Persons in Poverty
Desha County, Arkansas	11,764	-9.5%	16.9	\$27,036	\$18,187	29.0%
Chicot County, Arkansas	10,636	-9.9%	18.3	\$32,412	\$20,560	30.1%
East Carroll Parish, Louisiana	7,126	-8.2%	18.4	\$20,795	\$14,694	46.7%
Madison Parish, Louisiana	11,316	-6.5%	19.4	\$29,424	\$15,134	38.9%

Source: www.census.gov/quickfacts accessed February 2019

Cost Effectiveness

A Benefit-Cost Analysis (BCA) of the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project was conducted in conformance with federal guidance regarding evaluation criteria, discount and monetization rates, and evaluation methods recommended by the USDOT in the December 2018 Benefit-Cost Analysis Guidance for Discretionary Grant Programs. The BCA model incorporated the parameter updates in accordance with the above referenced USDOT guidance, including the value of travel time, the values of statistical life (VSL), injuries and property damage only (PDO) crashes, damage costs by emission type, and other factors. The USDOT recommended default values are used unless otherwise stated. The real discount rates recommended by USDOT (7 percent), as well as a 3 percent discount rate as a sensitivity analysis, consistent with USDOT guidance and OMB Circular A-45 are used to compute net present value (NPV) of benefits and costs.

A summary of the BCA results is shown in **Table 8** and **Table 9**. More detail regarding data inputs, sources, and estimation of each benefit category is provided in **Appendix C**. The monetized benefits and costs are estimated in 2017 dollars with future dollars discounted in compliance with USDOT INFRA requirements using a 7 percent real rate, and sensitivity testing at 3 percent.

Table 8: Benefit Estimates by Benefit Category

Benefit Category	Impact Categories	7% Discount Rate		3% Discount Rate	
Economic Benefits	Shipper Cost Savings from Truck to Rail Diversion	\$	62,472,452	\$	122,830,587
	Avoided Pavement Maintenance Costs from Truck to Rail Diversion	\$	2,069,589	\$	4,069,134
	Residual Value of Capital Assets	\$	602,178	\$	2,284,832
	O&M Cost Savings	\$	6,913,877	\$	10,964,703
Safety Benefits	Improved Safety and Avoided Accident Costs from Truck to Rail Diversion	\$	26,682,189	\$	52,461,345
Environmental Benefits	Avoided Emissions from Truck to Rail Diversion	\$	932,486	\$	1,657,411
Total Benefit Estimates		\$	99,672,770	\$	194,268,012

All values are in 2017\$

Table 9: Overall Results of the Benefit Cost Analysis

Project Evaluation Metric	7% Discount Rate		3% Discount Rate	
Total Discounted Benefits	\$	99,763,881	\$	194,387,594
Total Discounted Costs	\$	36,924,680	\$	41,253,181
Net Present Value	\$	62,839,202	\$	153,134,413
Benefit / Cost Ratio		2.70		4.71
Payback Period (years)		10.50		9.36
Internal Rate of Return (%)		18.1%		

All values are in 2017\$

The Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project is the type of project that will fulfil key objectives of Criterion #1 as follows:

Reduce traffic fatalities and serious injuries on the surface transportation system. Rail safety is of utmost concern. The Arkansas State Rail Plan and Louisiana Freight Mobility Plan present recent data on highway-rail grade crossing incidents and type of rail crossing protection measures. Within Arkansas out of the 2,451 public highway-rail grade crossings, 1,591 locations (65%) have passive warning devices only (crossbucks and/or stop signs). Within Louisiana there are 2,748 total at-grade crossing, of which 49% have passive warning devices only. The remainder of grade crossings include active warning devices (gated or flashers without gates). Approximately 49 highway-rail grade crossings that are currently in fair to poor condition would be upgraded throughout the corridor; 35 in Arkansas

and 14 in Louisiana. These include both public and private grade crossings. The planned rehabilitation will make these crossings into safer, smoother crossing points for the public, and will reduce the time that a train occupies a crossing, thus improving safety, improving the resilience of the freight transportation system, reducing congestion and enhancing mobility on the region's multimodal network. The majority of the at-grade crossing improvements throughout the corridor involve low-cost passive warning device measures.

Improve interactions between roadway users, reducing the likelihood of derailments or high consequence events. See Figures A-6 through A-10 in Appendix A which depict photos of two recent derailments which occurred on the NLA at two separate locations on January 26, 2019 and February 4, 2019. Upgrading the rail to Class 2 capability along with other track improvement components will reduce the likely hood of derailments, thus improving safety and the ability to increase operating speed and capacity.

Eliminate bottlenecks in the freight supply chain. See Figures A-11 through A-13 in Appendix A which depict the track weight restrictions on the existing NLA and DSR railroads within Arkansas and Louisiana, which are described as critical freight rail bottlenecks. Enhanced railroad transportation operating capacity, efficiency, and safety would be realized by upgrading the McGehee-Tallulah Railroad Corridor and its connecting branch lines to the Port of Lake Providence and Madison Parish Port to FRA Class 2 Track. This will allow trains to operate at speeds up to 25 mph, accommodate loaded freight cars with a maximum allowable gross weight of 286,000 lbs. and reduce the number of weight restricted bridges along the corridor.

Reduce Traffic Congestion. The Project would reduce traffic congestion on primary interstate and state routes within the project area. According to the *Louisiana Freight Mobility Plan*, Interstate 20 near the Mississippi State Line is identified as congested and motorists experience peak hour delays, where a median speed of 25 to 35 mph exists during the afternoon peak period. US 65 is a 2-lane roadway for the majority of its length along the corridor. The widening of US 65 to a 4-lane facility to provide additional capacity is identified as a Priority D Megaproject within the *Louisiana Long Range Transportation Plan* (LADOTD, 2015). However, funding to upgrade these facilities has not been identified and congestion will worsen as transportation demand in the corridor continues to grow. These capacity constraints have costly impacts on freight transportation providers. By diverting some truck shipments to rail, the Project will aid in reducing congestion.

Sustain or advance national or regional economic development in areas of need and improve connections to the National transportation network to support the movement of freight and people. The Project meets these goals in a number of ways:

- Improves freight network access, access to freight generators, and access between transportation modes.
- Supports retention or expansion of business; in-turn preserving freight reliant jobs.
- Provides greater opportunities for direct imports and exports to domestic and global markets outside of the rural Southeast Arkansas/Northeast Louisiana area.
- Improves market and multimodal access potential for railroads and ports.

- Helps all local market sectors remain competitive in both the domestic and global environment, as well as supporting the local and regional economy.
- Promotes the development of larger regional distribution hubs for shippers in the region, with improved productivity and operating efficiency.

Criterion #2: Leveraging of Federal Funding

Louisiana Port Construction and Development Program (aka Port Priority Program)

The two Louisiana ports are eligible recipients of the Louisiana Department of Transportation and Development's (LADOTD) Port Construction and Development Priority Program. The Port Priority Program was created by Act 452 of the 1989 Regular Session of the Louisiana Legislature. The purpose of the program is to ensure that adequate landside facilities are available to meet a definite market need by providing guidance and public funds to build landside infrastructure; thereby, providing jobs and competitive transportation cost to move cargo, minimizing highway congestion, improving safety and reducing maintenance cost on our highways. The feasibility of a port project is taken into account in determining the ranking/priority of projects supported by the LADOTD. Traditionally the program provides an average annual \$39.4 million contribution to port and infrastructure projects. The LADOTD limits the amount of funds for any one project to \$15 million received at a maximum rate of \$5million per year. According to the LADOTD, the average economic return from these projects has been \$6 for every \$1 spent.

The Madison Parish Port and Port of Lake Providence will provide a total of \$18.7 million in Port Priority Program funds as non-federal matching funds for the Project (Table 5).

SEAEDD and its partners are requesting \$25.7 million (57.1%) in INFRA Grant funding to be matched by \$19.3 million (42.9%) in the form of a combination of public and private funds for this \$45 million future eligible cost.

In addition to other federal and non-federal matching funds to support the Project, project partners will cover all future operations and maintenance costs for railroad and port activities in the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor.

Criterion #3: Potential for Innovation

There are several innovative parts of the Project, but perhaps the most innovative part is the public-private partnership developed by SEAEDD and their partners. In fact, **SEAEDD and their partners are candidates of the USDOT's SEP-15 process**. The grant applicants understand that SEP-15 is a new experimental process for USDOT to identify for trial evaluation new public-private partnership approaches to project delivery. It is anticipated that these new approaches will allow the efficient delivery of transportation projects without impairing USDOT's ability to carry out its stewardship responsibilities to protect both the environment and US taxpayers. SEP-15 addresses, but is not limited to, four major components of project delivery—contracting, compliance with environmental requirements, right-of-way acquisition, and project finance. Elements of the transportation planning process may be involved as well. While the majority of the right-of-way on this project is already owned by the applicants on this INFRA Grant request, the other SEP-15 elements of

contracting, compliance, and environmental requirements (such as an expedited NEPA review of all of the project elements) would prove to be appropriate for this project.

Another innovation is that this Project will realize the diversion of an array of hazardous materials commodities off of the region's roadways and onto the short line railroads. The transportation of hazardous materials by rail is approximately 80 times safer than by truck (Source: Association of American Railroads, 2016).

Project delivery is another area of innovation that will be undertaken for the Project. Detailed engineering design work is not typically required for rail rehabilitation projects, thus each of the railroads would follow a design-build procurement process where their internal forces would design the track infrastructure improvements to UP standards and only procure/complete design services for the required structural and bridge elements along the corridor and within each port. Also see Section 6, Project Readiness.

In an effort to advance the economic development and infrastructure goals for this rural region, SEAEDD and NLA have offered the rail right-of-way for installing fiber optic cable to advance data and communications for businesses and residents along the corridor.

Criterion #4: Performance and Accountability

SEAEDD, as the primary applicant for the requested INFRA Grant funding, will provide management oversight for the project. With a staff consisting of 11 highly professional individuals experienced in economic development, community development, and workforce training, SEAEDD assists local governments with administering grants and program opportunities made available from state and federal sources.

In order to maximize public benefits from INFRA funds and to promote local activity that will provide benefits beyond the INFRA-funded Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project, SEAEDD will utilize funds on specific, measurable outcomes, and provide accountability for project performance.

SEAEDD understands that USDOT is exploring strategies for potential conditioning of INFRA funds for appropriate projects. The proposed structure of conditions on funding above advances INFRA program goals by providing specific, measurable outcomes that achieve transportation performance objectives supporting economic vitality and improved safety, all while assuring timely delivery of the Project.

With regard to operations and maintenance (O&M), the Port of Lake Providence and Madison Parish Port Commission currently and will continue to work together with their tenants on maintenance and repairs of the required infrastructure such as the tracks and the dock. The DSR and NLA maintain the rail throughout the corridor.

6.0 Project Readiness

Technical Feasibility

The Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project is ready to begin concurrent design and construction within 18 months of receipt of

the INFRA Grant. The Project Schedule section includes additional information on the Project's timeframes. The following efficiencies demonstrate Project Readiness:

With the exception of a new industrial lead that would serve the Lake Village Industrial Park (located within Project Segment A limits), construction of the proposed improvements would occur within existing rail right-of-way or on port-owned land. Utilization of existing right-of-way and port property would allow design and construction phases to advance in an expedited manner. A Lake Village Industrial lead has not been included as part of this INFRA Grant funding request and is the only project component requiring additional right-of-way.

The proposed rail rehabilitation throughout the corridor and at industrial sidings would be designed and constructed to Union Pacific Railroad (UP) standards. NLA and DSR have indicated that there would be efficiencies associated with the design phase of the project; i.e., detailed engineering design work is not typically required for rail rehabilitation projects; rehabilitation using UP standards means the contractors who bid the projects already have the engineering standards in place. Detailed engineering design would only be required for certain project components that involve new infrastructure construction such as bridges along the corridor, the UP-NLA interchange in McGehee, and the transload dock at Madison Parish Port. Due to these anticipated efficiencies, a lower overall percentage for project design contingencies (4%) has been assumed in the cost estimate.

Local construction material would be utilized to the extent practicable. Several material sources are within close proximity to the corridor or within the ports themselves enabling material, such as ballast, to be locally sourced thus reducing construction cost and construction duration. Crossties, spikes, and rail will also be sourced within the mid-delta region (Arkansas, Louisiana, and Mississippi).

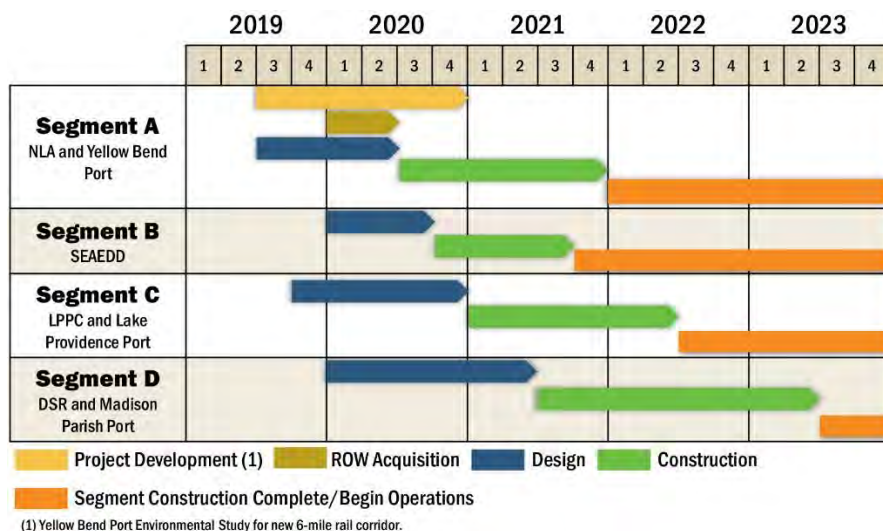
Project Schedule

The Project Schedule shown in **Figure 12**, discusses anticipated timeframes for major mile stones along each segment of the corridor. Construction activities for the INFRA Grant meet all identified schedule requirements.

Necessary Activities to Allow Grant Funds to Be Obligated. Project development, environmental permitting, right-of-way acquisition, and utility relocation will all begin in late-2019. Right-of-way acquisition will be completed by mid-2020. Thus, the activities that allow project construction and obligation of funds meet the INFRA requirements.

Project Construction Timeline. As shown in Figure 12, construction activities are expected to begin by late-2021 and be completed by mid-year of 2023.

Property and/or Row Acquisition Timeline. Right-of-way for the new industrial lead that would serve the Lake Village Industrial Park (located within Segment A limits) would be acquired in the first half of 2020.

Figure 12: Project Schedule

Required Approvals

Approvals and Permits by Other Agencies – This Project would require limited approvals and permits as most of the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project components are located within existing railroad right-of-way or on port property. A US Army Corps of Engineers Section 10 permit would be required for Madison Parish Port’s transload dock on the Mississippi River due to its location adjacent to the levee. As a possible innovative approach to expediting, SEAEDD proposes to “overlap” portions of the rail rehabilitation construction on a segment by segment basis. In the absence of property and right of way acquisition, the Project could be ready for construction within 18 months.

State and Local Planning Documents – Components of the Project, in addition to the Project goals, are included in numerous state and regional plans listed in **Appendix A**.

Project Risks and Mitigation Strategies

A table has been developed assessing the risks that may potentially pose a threat to the ability of the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project to meet its objectives and schedule along with proposed mitigation actions. **Table 10** shows the general categories of risk assessed and mitigation strategies.

Table 10: Project Risks and Mitigation

Risk #	Risk Category	Risk Name	Description	Likelihood	Impact		Mitigation Strategies
					Cost	Schedule	
1	Financial	Loss of Private Funding	Loss of funding due to unforeseen circumstances	1	2	2	Highly unlikely; SEAEDD and its project partners are committed to completing the project.
2	Financial	Loss of Public Funding	Loss of funding due to unforeseen circumstances	2	2	3	Given public and private benefits, this project will need both Federal and State sources to be completed in a timely manner or the project will be delayed.

Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project

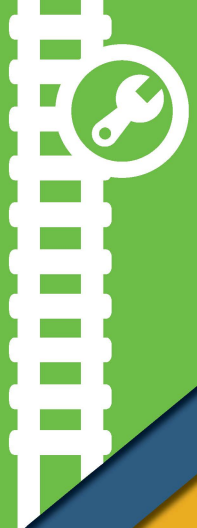
3	Management	Stakeholders	Stakeholders may have varying procedures and objectives	1	2	2	SEAEDD has successfully worked with numerous stakeholders throughout the corridor; obstacles can be overcome with stakeholder involvement during all implementation phases.
4	Contracting & Procurement	Administrative Burden	SEAEDD will manage all contracts where INFRA funding is utilized	1	1	1	SEAEDD will administer all contracts. It has successfully completed many capital projects, in the past, with a similar scope.
5	Contracting & Procurement	Availability of Qualified Contractors	Project involves typical freight rail construction and port-related infrastructure	1	1	1	The ports and shortline railroads have experience delivering capital projects. Procurement with local contractors with experience with Class I railroad standards would provide schedule and economic benefits during construction.
6	Construction	Traffic	Roadway traffic congestion resulting from construction and site infrastructure	1	1	1	The majority of upgrades are within existing railroad right-of-way. Coordination with State DOTs, and local jurisdictions would be required for grade crossing improvements for road closures/detours to minimize traffic impacts.
7	Construction	Business Disruption	Existing businesses along the rail corridor may be temporarily impacted by construction	1	1	2	Project phasing and stakeholder coordination will reduce impacts. Coordination with existing tenants and customers will occur to minimize business disruption.
8	Environmental	EA for Yellow Bend Port	Compliance with NEPA because of federal funding	1	1	2	Required regulations will be followed during the EA. Potential environmental issues may include noise, wetlands, and cultural resources.
9	Real Estate	Property Acquisitions	Need for property acquisition	1	1	1	With the exception of required right-of-way for the Lake Village Industrial Park rail lead, no other property acquisition is required.

7.0 Large/Small Project Requirements

The Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project funds will be used for construction activities. The Project meets the minimum project size for a small project under INFRA, as described in the Notice of Funding Opportunity (NOFO).

Cost-Effectiveness – The Project is a small project that provides a cost-effective and impactful solution for enhancing multimodal transportation access, connectivity, capacity, efficiency, and safety and for catalyzing economic development and other public benefits in a rural and economically distressed region. As shown in **Table 9**, the project provides \$2.70 in public funds (based on a 7% discount rate) for every \$1 spent.

Effect on Mobility in the Project's State or Region – The Project, when completed, will provide the bi-state region with a vastly improved network for rail and river transportation of goods by railroad and river barges. Besides providing the improvements to the multimodal freight transportation network, trucks will be diverted off of the region's roadways, which will reduce congestion and improve passenger mobility.

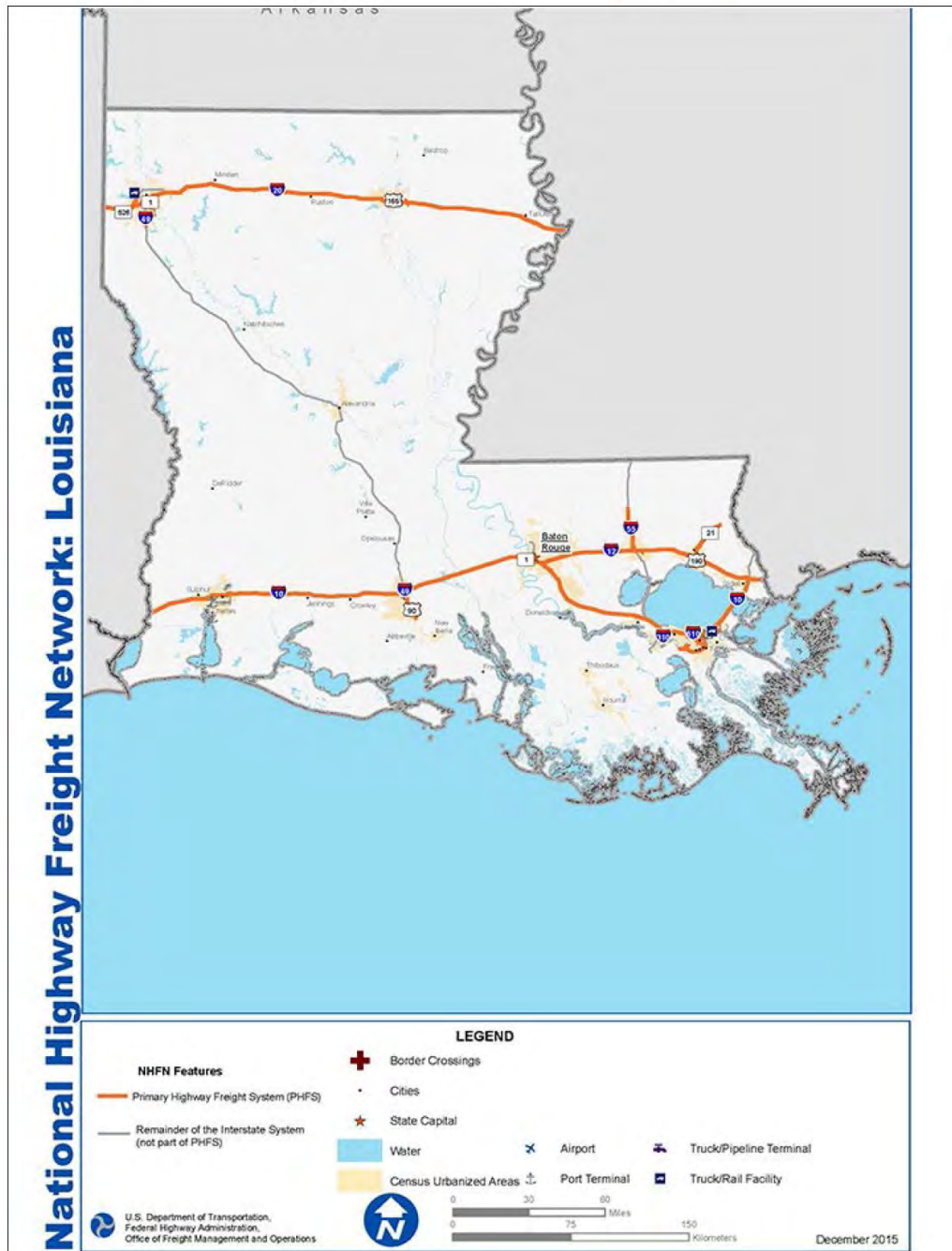


Appendix A

Figures



**Figure A-1: Interstate 20 through Louisiana;
Part of the National Highway Freight Network within the Project Corridor**



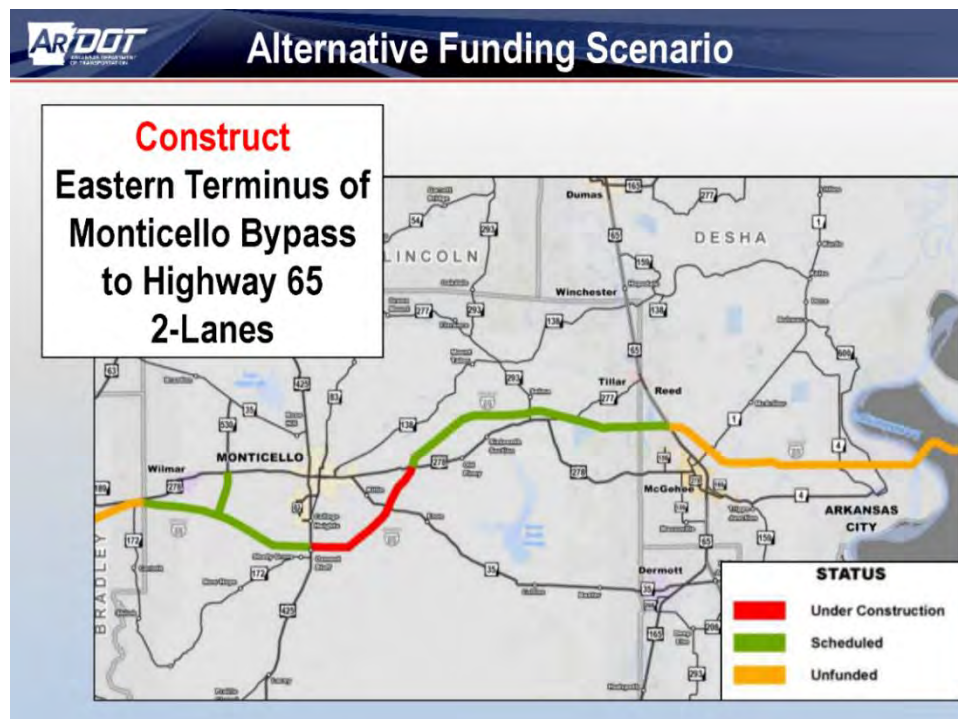
Source: Louisiana Freight Mobility Plan, Louisiana Department of Transportation and Development, December 2017

**Figure A-2: KCS Railroad through Louisiana;
Part of the Tier 1 National Primary Freight Network within the Project Corridor**



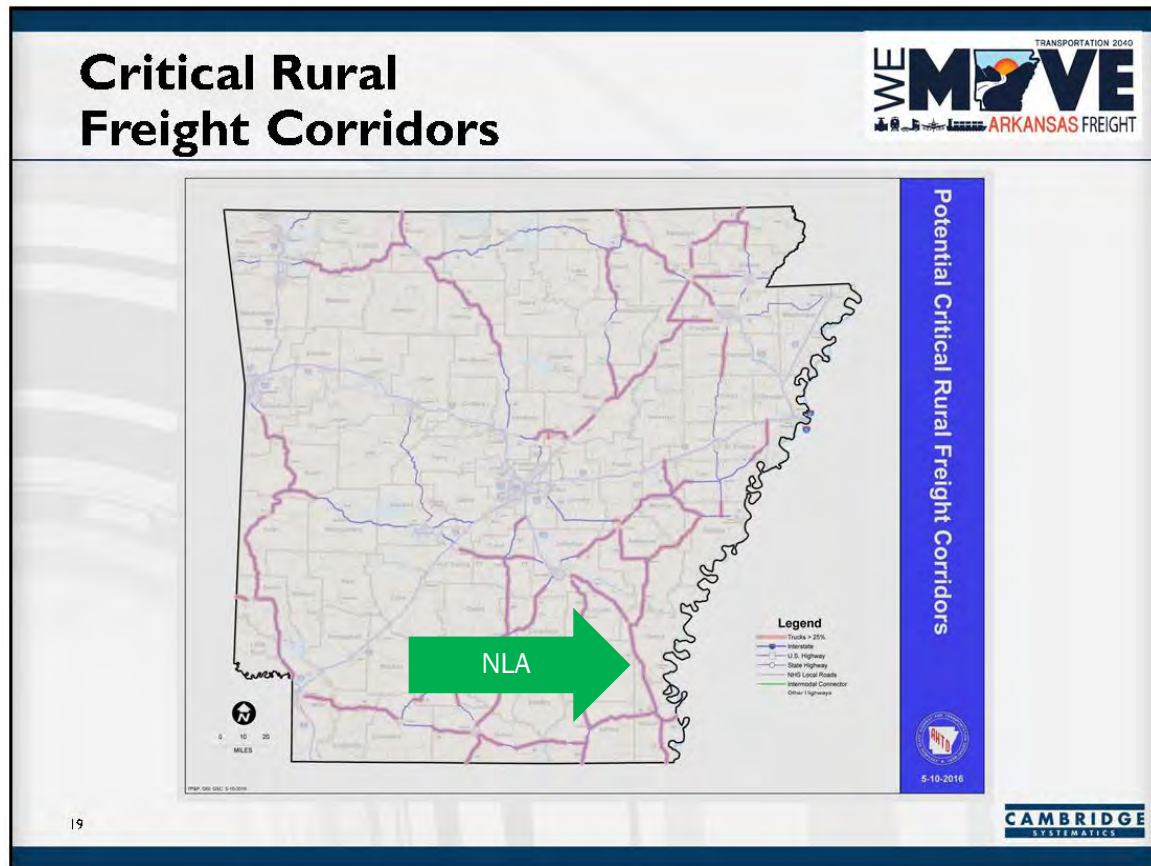
Source: Louisiana Freight Mobility Plan, Louisiana Department of Transportation and Development, December 2017

Figure A-3: Interstate 69 near Project Location



Source: Arkansas Department of Transportation, Highway Commission Review & Advisory Subcommittee presentation by Scott E. Bennett, P.E., Director <http://www.arkansashighways.com/PowerPoints/2018/HCRAS%2002082018.pdf>

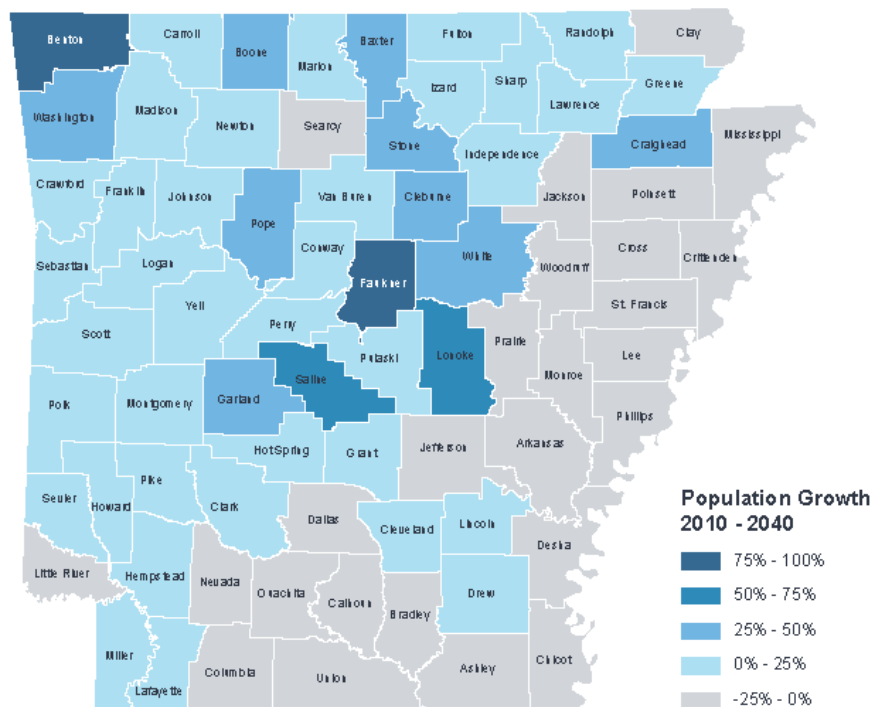
Figure A-4: Location of NLA within Critical Rural Freight Corridors



Source: Adapted from Arkansas State Freight Plan Appendices, Arkansas State Highway and Transportation Department, October 2017 http://www.arkansashighways.com/Trans_Plan_Policy/freight_plan/SFP%20Appendices%20-%20with%20covers.pdf

Figure A-5: Arkansas Projected Population Growth

PROJECTED POPULATION GROWTH



Source: We Move Arkansas Transportation 2040, Arkansas Long Range Intermodal Transportation Plan Executive Summary http://wemovearkansas.com/docs/ARDOT_LRITP_ExecSummary.pdf

Figure A-6: NLA Rollover Derailment January 26, 2019; 10 Miles North of Lake Village



Photo courtesy of SEAEDD and NLA.

Figure A-7: NLA Rollover Derailment January 26, 2019; 10 Miles North of Lake Village



Photo courtesy of SEAEDD and NLA.

Figure A-8: NLA Rollover Derailment February 4, 2019; 4 Miles North of Lake Village



Photo courtesy of SEAEDD and NLA.

Figure A-9: NLA Rollover Derailment February 4, 2019; 4 Miles North of Lake Village



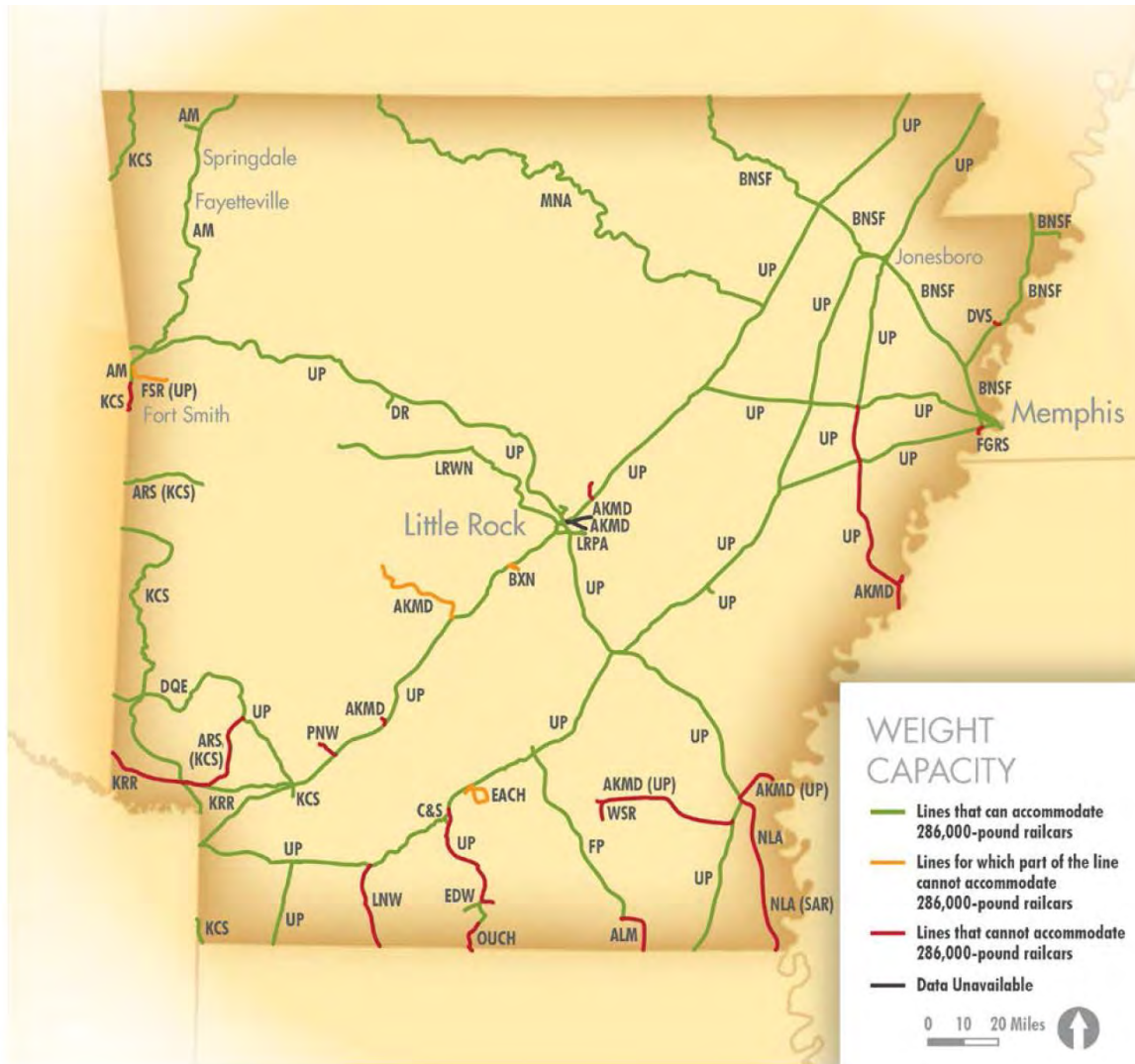
Photo courtesy of SEAEDD and NLA.

Figure A-10: NLA Rollover Derailment February 4, 2019; 4 Miles North of Lake Village



Photo courtesy of SEAEDD and NLA.

Figure A-11: NLA Track Weight Restriction within Arkansas



Source: Arkansas State Rail Plan - 2015, Arkansas State Highway and Transportation Department, August 2016
https://www.arkansashighways.com/Trans_Plan_Policy/state_rail/AR_StateRailPlan_Final_with_Summary.pdf

Figure A-12: DSR Track Weight Restriction within Louisiana



Source: Louisiana State Rail Plan, Louisiana Department of Transportation and Development, June 2015
http://wwwsp.dotd.la.gov/Inside_LaDOTD/Divisions/Multimodal/Marine_Rail/Misc%20Documents/2015%20Louisiana%20Rail%20Plan.pdf

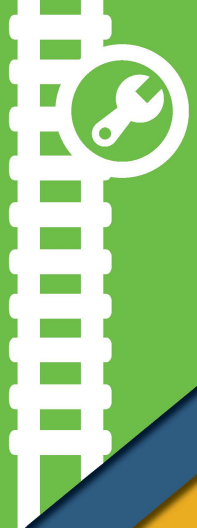
Figure A-13: DSR Freight Rail Bottlenecks



Source: Louisiana Freight Mobility Plan, Louisiana Department of Transportation and Development, December 2017

State and Local Planning Documents Components of the Project, in addition to the Project goals, are included in the following state and regional plans:

- Arkansas State Rail Plan - 2015, Arkansas State Highway and Transportation Department, August 2016
https://www.arkansashighways.com/Trans_Plan_Policy/state_rail/AR_StateRailPlan_Final_with_Summary.pdf
- Arkansas State Freight Plan, Arkansas State Highway and Transportation Department, October 2017
http://www.arkansashighways.com/Trans_Plan_Policy/freight_plan/ArkansasStateFreightPlan_20171204.pdf
- Louisiana State Rail Plan, Louisiana Department of Transportation and Development, June 2015
http://wwwsp.dotd.la.gov/Inside_LaDOTD/Divisions/Multimodal/Marine_Rail/Misc%20Documents/2015%20Louisiana%20Rail%20Plan.pdf
- Louisiana Statewide Transportation Plan, Louisiana Department of Transportation and Development, December 2015
http://wwwsp.dotd.la.gov/Inside_LaDOTD/Divisions/Multimodal/Transportation_Plan/Pages/default.aspx
- Louisiana Freight Mobility Plan, Louisiana Department of Transportation and Development, December 2017
- 2018-2022 Comprehensive Economic Development Strategy (CEDS), Southeast Arkansas Economic and Development District, 2018
- Moving the Delta Forward: Delta Regional Development Plan III, Delta Regional Authority, April 2016
https://dra.gov/images/uploads/content_files/DRA_RDP3-FINAL_APRIL2016.pdf
- Arkansas's Five-Year Delta Development Plan, for the Delta Regional Authority, December 2015
https://dra.gov/images/uploads/content_files/Arkansas_State_Plan-DRA_FINAL-2016.pdf
- Louisiana's Regional Development Plan 2016-2021 Rethinking the Delta, for the Delta Regional Authority, 2016
https://dra.gov/images/uploads/content_files/Louisiana_State_Plan-DRA_FINAL-2016.pdf
- Louisiana's Comprehensive Economic Development Strategy 2015-2020, North Delta Regional Planning and Development District, Inc., undated



Appendix B

Letters of Support



Appendix B – Letters of Support**Table of Contents**

Name/Title	Affiliation	Grant Year	Page Number(s)
Arkansas Letters of Support			
John Boozman, U.S. Senator	Congress of the United States	2017	B-1
Tom Cotton, U.S. Senator	Congress of the United States	2017	B-1
Rick Crawford, U.S. Representative	Congress of the United States	2017 & 2019	B-1/B-2/B-3
Bruce Westerman, U.S. Representative	Congress of the United States	2017 & 2019	B-1/B-4
Eddie Cheatham, State Senator, District 26	Senate, State of Arkansas	2019	B-5
Mark D. McElroy, State Representative, District 11	Arkansas House of Representatives	2017	B-6/B-7
Scott E. Bennett, P.E., Director	Arkansas State Highway Commission	2017	B-8
Michael Preston, Executive Director	Arkansas Economic Development Commission	2019	B-9
Deidre Smith, Director	Arkansas Waterways Commission	2019	B-10/B-11
Jack May, Desha County Judge	Desha County	2017	B-12/B-13
Jim Hudson, Ashley County Judge	Ashley County	2019	B-14
Randy Pruitt, Grant County Judge	Grant County	2019	B-15/B-16
Robert Akin, Drew County Judge	Drew County	2019	B-17
Flora J. Simon, Mayor	City of Dumas	2019	B-18/B-19
JoAnne H. Bush, Mayor	City of Lake Village	2017	B-20/B-21
Jeff Owyong, Mayor	City of McGehee	2019	B-22
Travis Collins, Mayor	City of Eudora	2019	B-23
Walter Donald, Mayor	City of Dermott	2019	B-24
Joe Wise, Jr. Mayor	City of Sheridan	2019	B-25
Kathleen M. Slavens, General Counsel	Arkansas Short Line Railroads, Inc.	2017	B-26

Name/Title	Affiliation	Grant Year	Page Number(s)
Louisiana Letters of Support			
Bill Cassidy, M.D., U.S. Senator	Congress of the United States	2019	B-27
John Kennedy, U.S. Senator	Congress of the United States	2019	B-28
Ralph Abraham, M.D., U.S. Representative	Congress of the United States	2019	B-28
Francis C. Thompson, State Senator, District 34	Senate, State of Louisiana	2019	B-29
Andy Anders, State Representative, District 21	Louisiana House of Representatives	2019	B-30/B-31
Charles R. "Bubba" Chaney, State Representative, District 19	Louisiana House of Representatives	2019	B-32/B-33
Mike Strain, DVM, Commissioner	Louisiana Department of Agriculture & Forestry	2019	B-34
Jennifer L. Marusak, Executive Director	Ports Association of Louisiana	2019	B-35
Tana Trichel, President/CEO	Northeast Louisiana Economic Alliance (NELEA)	2019	B-36
Robert D. Fortenberry, President	Madison Parish Police Jury	2019	B-37/B-38
S. Lee Denny, President	East Carroll Parish Police Jury	2019	B-39/B-40
Gloria Owens Hayden, Mayor	City of Tallulah	2019	B-41/B-42
Robert N. Amacker Jr., Mayor	Town of Lake Providence	2017	B-43/B-44
Matt Prince, Director of Operations	Continental Rail	2017	B-45
Fred W. Eubanks, Human Resources Mgr-HRMC/Southeast Region	Hydro Extrusion North America	2017	B-46
Kevin Tubbs, Operations Manager	Big River Rice and Grain	2019	B-47
Neil D. Martin, Vice President	Terral	2019	B-48
Travis Melton, VP Sales & Marketing	Complex Chemical Co., Inc.	2019	B-49/B-50
Larry Stivers, CHS Crop Nutrients East Sales Manager	CHS, Inc.	2019	B-51
David Cirilli	Helena Agri-Enterprises, LLC	2019	B-52
Bruce McNabb, Operations Manager South Delta Division	Nutrien	2019	B-53
Amanda Edge	Entergy	2019	B-54

Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project

Name/Title	Affiliation	Grant Year	Page Number(s)
National Letters of Support			
Kurt J. Nagle, President and CEO	American Association of Port Authorities (AAPA)	2017	B-55/B-56
Brenda Mainwaring	Union Pacific Railroad	2017	B-57

Congress of the United States
Washington, DC 20510

November 1, 2017

The Honorable Elaine Chao, Secretary of Transportation
Office of the Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington D.C. 20590

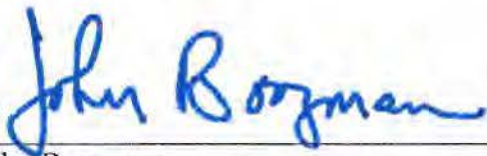
Dear Secretary Chao:

We're writing to express our support for the Improvement Project Infrastructure for Rebuilding America (INFRA) grant application submitted by the Southeast Arkansas Economic Development District.

If approved, this grant will provide funding for the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor. This project would achieve the goals of the INFRA program by modernizing and improving rail safety infrastructure along an important freight corridor, while also improving the regional connectivity of three inland waterway ports. These infrastructure improvements are necessary to provide the port's customers access to the nation's rail network and will have a significant impact on the region's economic development efforts through increases in efficiency and cost savings for regional shippers.

Increasing rail and river traffic is vital to the growth of our regional and national economy, particularly in rural America. This grant will provide the necessary funds to improve the connectivity and efficiency of our rail systems and inland waterways, driving growth in the region. For these reasons, we think improving this freight corridor is a worthy project that meets the goals of the INFRA grant program and furthers the economic development goals of the Trump administration. We ask that you approve the district's application. Thank you for your full and fair consideration.

Sincerely,



John Boozman
United States Senator



Tom Cotton
United States Senator



Rick Crawford
United States Representative



Bruce Westerman
United States Representative

RICK CRAWFORD
1ST DISTRICT, ARKANSAS

COMMITTEE ON AGRICULTURE
CHAIRMAN OF SUBCOMMITTEE ON FARM
COMMODITIES AND RISK MANAGEMENT
SUBCOMMITTEE ON NUTRITION

COMMITTEE ON TRANSPORTATION
AND INFRASTRUCTURE
SUBCOMMITTEE ON HIGHWAYS
AND TRANSIT
SUBCOMMITTEE ON WATER
RESOURCES AND ENVIRONMENT
SUBCOMMITTEE ON ECONOMIC
DEVELOPMENT, PUBLIC BUILDINGS,
AND EMERGENCY MANAGEMENT

HOUSE PERMANENT SELECT
COMMITTEE ON INTELLIGENCE

Congress of the United States
House of Representatives
2422 Rayburn Building
Washington, DC 20515

February 20, 2019

□ WASHINGTON, DC
2422 RAYBURN HOB
WASHINGTON, DC 20515
PHONE: 202-225-4076
FAX: 202-225-5602

□ JONESBORO
2400 EAST HIGHLAND
SUITE 300
JONESBORO, AR 72401
PHONE: 870-203-0540
FAX: 870-203-0542

□ CABOT
112 SOUTH FIRST STREET
CABOT, AR 72023
PHONE: 501-843-3043
FAX: 501-843-4955

□ MOUNTAIN HOME
1001 HIGHWAY 62 EAST
SUITE 9
MOUNTAIN HOME, AR 72653
PHONE: 870-424-2075
FAX: 870-424-3149

WWW.CRAWFORD.HOUSE.GOV

The Honorable Elaine Chao
Secretary
U.S. Department of Transportation
1200 New Jersey Ave, SE
Washington, DC 20059

Dear Secretary Chao,

As the U.S. representative for the first congressional district of Arkansas, I write to express my support of the grant proposal submitted by the Southeast Arkansas Economic Development District (SEAEDD) and its partners to the U.S. Department of Transportation (DOT) for an Infrastructure For Rebuilding America (INFRA) grant.

As Ranking Member of the Subcommittee on Railroads, Pipelines, and Hazardous Materials within the House Committee on Transportation and Infrastructure, I proudly support SEAEDD and its partners in their efforts to modernize and improve rail safety infrastructure along an important freight corridor, boosting regional connectivity to three inland waterway ports. I understand the improvements will provide these ports' customers access to our nation's rail network, significantly impacting the region's economic development efforts and expanding effectiveness and cost savings to regional shippers.

Grant funding will provide shippers in the region with new cost-effective alternatives for delivering their products and manufactured goods nationwide and even globally, while also establishing a desperately-needed economic development tool in the area. This application for multimodal freight corridor improvements is critical for the region, state, and nation, with increased rail transportation and river traffic growing our economy.

Thank you for your time and attention, and I request that you give this worthy project serious and all due consideration when making final funding decisions.

Sincerely,

A handwritten signature in dark ink, appearing to read "Bridget D. J.", written in a cursive style.

Member of Congress

RC/cl

Congress of the United States
House of Representatives
Washington, DC 20515-0404

February 21, 2019

The Honorable Elaine Chao, Secretary of Transportation
Office of the Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington D.C. 20590

Ms. Elaine Chao,

I write to express my support for Southeast Arkansas Economic Development District's (SEAEDD) and its partners' INFRA Grant application. If awarded, SEAEDD and its partners will provide shippers with new cost-effective alternatives for delivering their goods throughout the nation and internationally, providing a new economic tool vital to the area.

SEAEDD, the Port of Lake Providence and the Madison Parish Port, both of Louisiana, are located along an approximately 100-mile-long section of the Mississippi River (the designated M-55 Marine Highway) and served by a parallel 91.3-mile continuous short line railroad corridor of commerce which interfaces with existing ports. SEAEDD and its partners have developed the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project to modernize and improve rail safety infrastructure along an essential freight corridor and improve the regional connectivity to three inland waterway ports.

It is of the utmost importance to support projects like SEAEDD's and its partners', to improve necessary infrastructure for the region's and nation's economic growth. This infrastructure project better serves Arkansas' Fourth Congressional District, and I am proud to support their efforts to improve infrastructure and enhance economic growth.

Thank you for your full and fair consideration of SEAEDD's and partners' application. Please apprise me of its progress by contacting Melinda Boyer in my El Dorado office at (870) 864-8946 or at melinda.m.boyer@mail.house.gov.

Sincerely,



Bruce Westerman
United States Congressman
Arkansas' Fourth District

EDDIE CHEATHAM

SENATOR
26TH DISTRICT
OFFICE: 870-364-5659
eddie.cheatham@senate.ar.gov
2814 ASHLEY 239
CROSSETT, ARKANSAS 71635-8824



THE SENATE
STATE OF ARKANSAS

VICE-CHAIR:
JOINT AUDIT

MEMBER:
LEGISLATIVE COUNCIL
JOINT AUDIT
JOINT BUDGET
EDUCATION
JOINT RETIREMENT AND SOCIAL SECURITY
AGRICULTURE, FORESTRY AND ECONOMIC DEVELOPMENT
RULES, RESOLUTIONS AND MEMORIALS

February 25, 2019

The Honorable Elaine Chao
Secretary of Transportation
Office of the Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington, D.C. 20590

Dear Ms. Chao:

Please accept this letter supporting the Southeast Arkansas Economic Development District and its partners as they apply for the 2018-19 INFRA Grant from the U.S. Department of Transportation. It is my understanding the grant would be used for the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project.

It is my understanding the funds will be used to modernize and improve rail safety infrastructure along an important freight corridor and improve the regional connectivity to three inland waterway ports between McGehee, Arkansas and Tallulah, Louisiana. The infrastructure improvements are needed to provide the ports' railroad customers access to the nation's rail network. This project will have a significant impact on the southeast region's economic development efforts and will expand the efficiency and cost savings to regional shippers. It will also provide shippers in the region with new cost-effective alternatives for delivering their produce and manufactured goods to the nation and world. Increased transportation of rail and river traffic is vital to the growth of our regional and national economy.

I respectfully ask you to give their application every consideration. Thank you for your time and attention in this matter. If I can be of further assistance, please do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink that reads "Eddie Cheatham".

Eddie Cheatham
State Senator
District 26

EC:em

B-5

REPRESENTATIVE

Mark D. McElroy
2645 Highway 138 East
Tillar, Arkansas 71670-9372

870-644-3822 Residence
mdmcelroy1@yahoo.com

DISTRICT 11

Counties:

Part Desha
Part Ashley
Chicot

COMMITTEES:

Education
Higher Education Subcommittee

Agriculture, Forestry and Economic
Development
Vice Chairperson,
Parks and Tourism Subcommittee

House Management

Joint Budget



STATE OF ARKANSAS

House of Representatives

October 18, 2017

The Honorable Elaine Chao, Secretary of Transportation
Office of the Secretary
U. S. Department of Transportation
1200 New Jersey Avenue, SE
Washington, D.C. 20590

Dear Secretary Chao:

I am writing in support of the Southeast Arkansas Economic Development District's request for a 2017-2017 INFRA Grant application for multimodal freight corridor improvements in Southeast Arkansas and Northeast Louisiana. The project will be shared by the Southeast Arkansas Economic Development District, Port of Lake Providence, Louisiana, and Madison Parish, Louisiana.

Each partner is located along a 100 mile section of the Mississippi River, between McGehee in Southeast Arkansas and Tallulah in Northeast Louisiana. There is a short line railroad corridor of commerce that interfaces directly with the existing Port of Lake Providence, Madison Parish Port, and a future rail connection to the Port of Yellow Bend near Arkansas City, Arkansas.

The grant will be utilized to modernize and expand the infrastructure located along the corridor. The renovation is necessary because it will bring about regional connectivity to three inland waterway ports. The construction mentioned in the grant application will give the port's railroad customers access to the nation's rail network. This project will expand effectiveness, support economic development efforts while bringing about cost savings to shippers.

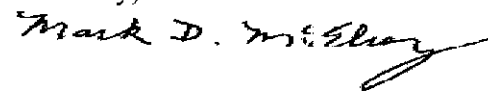
I'm sure you will review the detailed information in the grant application that explains how the freight corridor improvements will be cost-effective for shippers in the region. Shippers will be able to effortlessly deliver their produce and goods to the nation and around the world. Once this project is completed it will economically benefit Arkansas, Louisiana, the entire region and the nation.

10/23/2017

2

I truly appreciate your consideration of the grant request, and respectfully ask you to approve the funding. If I can be of assistance to you, please contact me.

Sincerely,

A handwritten signature in cursive script that reads "Mark D. McElroy".

Mark D. McElroy
State Representative
District 11

MDM/prs

ARKANSAS STATE HIGHWAY COMMISSION

DICK TRAMMEL
CHAIRMAN
ROGERS

THOMAS B. SCHUECK
VICE CHAIRMAN
LITTLE ROCK

ROBERT S. MOORE, JR.
ARKANSAS CITY



P.O. Box 2261 • Little Rock, Arkansas 72203-2261
Phone (501) 569-2000 • Voice/TTY 711 • Fax (501) 569-2400
www.ARDOT.gov • www.IDriveArkansas.com

DALTON A. FARMER, JR.
JONESBORO

PHILIP TALDO
SPRINGDALE

SCOTT E. BENNETT, P.E.
DIRECTOR

October 27, 2017

The Honorable Elaine L. Chao
Secretary, U.S. Department of Transportation
1200 New Jersey Ave. SE.
Washington, DC 20590-0001

Dear Madam Secretary:

Reference is made to the Southeast Arkansas Economic Development District's (SEAEDD) 2017-2018 INFRA Grant Application for Multimodal Freight Corridor Improvements in Southeast Arkansas and Northeast Louisiana. This application is for modernization and improvements to rail safety infrastructure and improvement of regional connectivity to three inland waterway ports between McGehee, Arkansas and Tallulah, Louisiana.

The Arkansas Department of Transportation acknowledges that modernizing critical rail safety infrastructure and improving regional connectivity for these ports will allow for more efficient inland waterway shipping and would improve the economic viability of this largely rural and socioeconomically depressed Delta region.

If additional information is needed, please advise.

Sincerely,


Scott E. Bennett, P.E.
Director

c: Deputy Director and Chief Operating Officer
Deputy Director and Chief Engineer
Assistant Chief Engineer – Planning
Transportation Planning and Policy
Governmental Relations Office
Southeast Arkansas Economic Development District



February 21, 2019

The Honorable Elaine Chao, Secretary of Transportation
Office of the Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington D.C. 20590

Dear Secretary Chao:

Please accept this letter as support for the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project that the Southeast Arkansas Economic Development District and its partners are requesting in their INFRA Grant application for Fiscal Year 2019.

The Southeast Arkansas Economic Development District (SEAEDD), the Port of Lake Providence, LA and the Madison Parish Port, LA are located along an approximately 100-mile-long section of the Mississippi River (the designated M-55 Marine Highway) between McGehee in rural Southeast Arkansas and Tallulah in rural Northeast Louisiana. This section of the Mississippi River between McGehee and Tallulah is also served by a parallel 91.3-mile continuous short line railroad corridor of commerce that interfaces directly with the existing Port of Lake Providence and Madison Parish Port and a yet-to-be constructed rail connection to the separate Port of Yellow Bend near Arkansas City, Arkansas.

This grant for a multi-state Public Private Partnership will be used to modernize and improve rail safety infrastructure along an important freight corridor and improve the regional connectivity to three inland waterway ports. The infrastructure improvements described in the grant application are needed to provide the ports' railroad customers' access to the nation's rail network. The improvements will have a significant impact to the region's economic development efforts and will expand the effectiveness and cost savings to regional shippers.

The multimodal improvements described in the grant application will provide shippers in the region with new cost-effective alternatives for delivering their produce and manufactured goods to the nation and to the world, as well as providing a new economic development tool for the region, which is so desperately needed. This application for multimodal freight corridor improvements is a critical, much needed step for Arkansas and Louisiana, and a critical much needed step for the region and the nation. Increased transportation of rail and river traffic is important to the growth of our region's and nation's economy.

I appreciate the opportunity to share with you the importance of this project to our agency, our states and our region; I urge your expeditious approval of SEAEDD's and its partners application for INFRA program funding.

Sincerely,

Michael Preston
Executive Director





Arkansas Waterways Commission

Asa Hutchinson, Governor

Deidre Smith, Director

February 21, 2019

The Honorable Elaine Chao, Secretary of Transportation
Office of the Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington D.C. 20590

Re: Letter of Support for SEAEDD INFRA Grant Submittal

Dear Secretary Chao,

Please accept this letter as support for the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project that the Southeast Arkansas Economic Development District and its partners are requesting in their INFRA Grant application for Fiscal Year 2019.

The Southeast Arkansas Economic Development District (SEAEDD), the Port of Lake Providence, LA and the Madison Parish Port, LA are located along an approximately 100-mile-long section of the Mississippi River (the designated M-55 Marine Highway) between McGehee in rural Southeast Arkansas and Tallulah in rural Northeast Louisiana. This section of the Mississippi River between McGehee and Tallulah is also served by a parallel 91.3-mile continuous short line railroad corridor of commerce that interfaces directly with the existing Port of Lake Providence and Madison Parish Port and a yet-to-be constructed rail connection to the separate Port of Yellow Bend near Arkansas City, Arkansas.

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desperately needed. This application for multimodal freight corridor improvements is a critical, much needed step for Arkansas and Louisiana, and a critical much needed step for the region and the nation. Increased transportation of rail and river traffic is important to the growth of our region's and nation's economy.

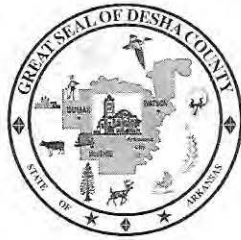
I appreciate the opportunity to share with you the importance of this project to our firm, our states, and our region, and I urge your expeditious approval of SEAEDD's and its partner's application for INFRA program funding.

Sincerely,

A handwritten signature in dark ink, appearing to read "Deidre Smith", written in a cursive style.

Deidre Smith, Director
Arkansas Waterways Commission

cc: Patrecia Hargrove, Executive Director – Southeast Arkansas Economic Development District
Marty Shell, Chairman – Arkansas Waterways Commission



JACK MAY
DESHA COUNTY JUDGE

October 18, 2017

The Honorable Elaine Chao, Secretary of Transportation
Office of the Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington D.C. 20590

Dear Ms. Secretary:

Please accept this letter as support for the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project that the Southeast Arkansas Economic Development District and its partners are requesting in their 2017-18 INFRA Grant application.

The Southeast Arkansas Economic Development District (SEAEDD), the Port of Lake Providence, LA and the Madison Parish Port, LA are located along an approximately 100-mile-long section of the Mississippi River (the designated M-55 Marine Highway) between McGehee in rural Southeast Arkansas and Tallulah in rural Northeast Louisiana. This section of the Mississippi River between McGehee and Tallulah is also served by a parallel 91.3-mile continuous short line railroad corridor of commerce that interfaces directly with the existing Port of Lake Providence and Madison Parish Port and a yet-to-be constructed rail connection to the separate Port of Yellow Bend near Arkansas City, Arkansas.

This grant will be used to modernize and improve rail safety infrastructure along an important freight corridor and improve the regional connectivity to three inland waterway ports. The infrastructure improvements described in the grant application are needed to provide the ports railroad customers access to the nation's rail network. The improvements will have a significant impact to the region's economic development efforts and will expand the effectiveness and cost savings to regional shippers.

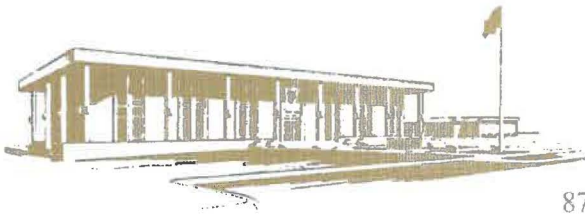
The multimodal improvements described in the grant application will provide shippers in the region with new cost-effective alternatives for delivering their produce and manufactured goods to the nation and to the world, as well as providing a new economic development tool for the region, which is so desperately needed. This application for multimodal freight corridor improvements is a positive step for Arkansas and Louisiana, and a positive step for the region and the nation. Increased transportation of rail and river traffic is important to the growth of our region's and nation's economy.

I appreciate the opportunity to share with you the importance of this project to our firm, our states, and our region, and I urge your expeditious approval of SEAEDD's and its partners application for INFRA program funding.

Sincerely,

A handwritten signature in blue ink that reads "Jack May". The signature is fluid and cursive, with a long horizontal line extending from the end of the name.

Jack May
Desha County Judge



JIM HUDSON
ASHLEY COUNTY JUDGE
205 E. JEFFERSON ST. #14
HAMBURG, ARKANSAS 71646
ashleycountyjudge.jh@yahoo.com

870-853-2000 FAX 870-853-2005 MOBILE 870-853-6810

February 20, 2019

The Honorable Elaine Chao, Secretary of Transportation
Office of the Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington D.C. 20590

Dear Ms. Secretary:

Please accept this letter as support for the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project that the Southeast Arkansas Economic Development District and its partners are requesting in their INFRA Grant application for Fiscal Year 2019.

The Southeast Arkansas Economic Development District (SEAEDD), the Port of Lake Providence, LA and the Madison Parish Port, LA are located along an approximately 100-mile-long section of the Mississippi River (the designated M-55 Marine Highway) between McGehee in rural Southeast Arkansas and Tallulah in rural Northeast Louisiana. This section of the Mississippi River between McGehee and Tallulah is also served by a parallel 91.3-mile continuous short line railroad corridor of commerce that interfaces directly with the existing Port of Lake Providence and Madison Parish Port and a yet-to-be constructed rail connection to the separate Port of Yellow Bend near Arkansas City, Arkansas.

This grant for a multi-state Public Private Partnership will be used to modernize and improve rail safety infrastructure along an important freight corridor and improve the regional connectivity to three inland waterway ports. The infrastructure improvements described in the grant application are needed to provide the ports' railroad customers' access to the nation's rail network. The improvements will have a significant impact to the region's economic development efforts and will expand the effectiveness and cost savings to regional shippers.

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I appreciate the opportunity to share with you the importance of this project to our firm, our states, and our region, and I urge your expeditious approval of SEAEDD's and its partners application for INFRA program funding.

Sincerely,

Jim Hudson, Ashley County Judge



Grant County Courthouse
Sheridan, AR 72150

RANDY PRUITT
Grant County Judge

(870) 942-2551

February 20, 2019

The Honorable Elaine Chao, Secretary of Transportation
Office of the Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington D.C. 20590

Dear Ms. Secretary:

Please accept this letter as support for the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project that the Southeast Arkansas Economic Development District and its partners are requesting in their INFRA Grant application for Fiscal Year 2019.

The Southeast Arkansas Economic Development District (SEAEDD), the Port of Lake Providence, LA and the Madison Parish Port, LA are located along an approximately 100-mile-long section of the Mississippi River (the designated M-55 Marine Highway) between McGehee in rural Southeast Arkansas and Tallulah in rural Northeast Louisiana. This section of the Mississippi River between McGehee and Tallulah is also served by a parallel 91.3-mile continuous short line railroad corridor of commerce that interfaces directly with the existing Port of Lake Providence and Madison Parish Port and a yet-to-be constructed rail connection to the separate Port of Yellow Bend near Arkansas City, Arkansas.

This grant for a multi-state Public Private Partnership will be used to modernize and improve rail safety infrastructure along an important freight corridor and improve the regional connectivity to three inland waterway ports. The infrastructure improvements described in the grant application are needed to provide the ports' railroad customers' access to the nation's rail network. The improvements will have a significant impact to the region's economic development efforts and will expand the effectiveness and cost savings to regional shippers.

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I appreciate the opportunity to share with you the importance of this project to our firm, our states, and our region, and I urge your expeditious approval of SEAEDD's and its partners application for INFRA program funding.

Sincerely,

A handwritten signature in black ink, appearing to read "Randy Pruitt". The signature is fluid and cursive, with a prominent "R" and "P".

Randy Pruitt
Grant County Judge



Robert Akin

Drew County Judge

210 South Main Street • Monticello, Arkansas • 870-460-6200 • 870-367-7046 fax • drewcojudge@sbcglobal.net

February 21, 2019
The Honorable Elaine Chao, Secretary of Transportation
Office of the Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington D.C. 20590

Dear Ms. Secretary:

Please accept this letter as support for the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project that the Southeast Arkansas Economic Development District and its partners are requesting in their INFRA Grant application for Fiscal Year 2019.

The Southeast Arkansas Economic Development District (SEAEDD), the Port of Lake Providence, LA and the Madison Parish Port, LA are located along an approximately 100-mile-long section of the Mississippi River (the designated M-55 Marine Highway) between McGehee in rural Southeast Arkansas and Tallulah in rural Northeast Louisiana. This section of the Mississippi River between McGehee and Tallulah is also served by a parallel 91.3-mile continuous short line railroad corridor of commerce that interfaces directly with the existing Port of Lake Providence and Madison Parish Port and a yet-to-be constructed rail connection to the separate Port of Yellow Bend near Arkansas City, Arkansas.

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I appreciate the opportunity to share with you the importance of this project to our firm, our states, and our region, and I urge your expeditious approval of SEAEDD's and its partners application for INFRA program funding.

Sincerely,

Drew County Judge
Robert Akin



Flora Simon, Mayor
Erma Coburn, City Clerk/Treasurer
City Council:
Roy Dalton
Kenneth Daniels
Franklin Healey
Amber Madison
Ross Martin
Jared May
John Owen
Romona Weatherford

February 21, 2019

The Honorable Elaine Chao, Secretary of Transportation
Office of the Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington D.C. 20590

Dear Ms. Secretary:

Please accept this letter as support for the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project that the Southeast Arkansas Economic Development District and its partners are requesting in their INFRA Grant application for Fiscal Year 2019.

The Southeast Arkansas Economic Development District (SEAEDD), the Port of Lake Providence, LA and the Madison Parish Port, LA are located along an approximately 100-mile-long section of the Mississippi River (the designated M-55 Marine Highway) between McGehee in rural Southeast Arkansas and Tallulah in rural Northeast Louisiana. This section of the Mississippi River between McGehee and Tallulah is also served by a parallel 91.3-mile continuous short line railroad corridor of commerce that interfaces directly with the existing Port of Lake Providence and Madison Parish Port and a yet-to-be constructed rail connection to the separate Port of Yellow Bend near Arkansas City, Arkansas.

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I appreciate the opportunity to share with you the importance of this project to our firm, our states, and our region, and I urge your expeditious approval of SEAEDD's and its partners application for INFRA program funding.

Sincerely,

A handwritten signature in blue ink, reading "Flora J. Simon". The signature is fluid and cursive, with the first name "Flora" being more prominent than the last name "Simon".

Flora J. Simon
Mayor, City of Dumas

CITY OF LAKE VILLAGE



JOANNE H. BUSH
MAYOR

AMANDA BROWN
ADMIN. ASST.

October 17, 2017

The Honorable Elaine Chao, Secretary of Transportation
Office of the Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington D.C. 20590

Dear Ms. Secretary:

Please accept this letter as support for the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project that the Southeast Arkansas Economic Development District and its partners are requesting in their 2017-18 INFRA Grant application.

The Southeast Arkansas Economic Development District (SEAEDD), the Port of Lake Providence, LA and the Madison Parish Port, LA are located along an approximately 100-mile-long section of the Mississippi River (the designated M-55 Marine Highway) between McGehee in rural Southeast Arkansas and Tallulah in rural Northeast Louisiana. This section of the Mississippi River between McGehee and Tallulah is also served by a parallel 91.3-mile continuous short line railroad corridor of commerce that interfaces directly with the existing Port of Lake Providence and Madison Parish Port and a yet-to-be constructed rail connection to the separate Port of Yellow Bend near Arkansas City, Arkansas.

This grant will be used to modernize and improve rail safety infrastructure along an important freight corridor and improve the regional connectivity to three inland waterway ports. The infrastructure improvements described in the grant application are needed to provide the ports railroad customers access to the nation's rail network. The improvements will have a significant impact to the region's economic development efforts and will expand the effectiveness and cost savings to regional shippers.

The multimodal improvements described in the grant application will provide shippers in the region with new cost-effective alternatives for delivering their produce and manufactured goods to the nation and to the world, as well as providing a new economic development tool for the region, which is so desperately needed. This application for multimodal freight corridor improvements is a positive step for

P.O. BOX 725 | LAKE VILLAGE, ARKANSAS 71653

P: (870) 265-2228 | F: (870) 265-5817 | EMAIL MAYOR: jbush@lakevillagear.gov • Admin. Asst.: abrown@lakevillagear.gov



CITY OF LAKE VILLAGE

JOANNE H. BUSH
MAYOR

AMANDA STRICKLAND
ADMIN. ASST.

Arkansas and Louisiana, and a positive step for the region and the nation. Increased transportation of rail and river traffic is important to the growth of our region's and nation's economy.

I appreciate the opportunity to share with you the importance of this project to our firm, our states, and our region, and I urge your expeditious approval of SEAEDD's and its partners application for INFRA program funding.

Sincerely,

JoAnne H. Bush, Mayor

*Jeff Owyong, Mayor
Marcia Massey, City Clerk
Judge Gibbs Ferguson
Attorney Melinda French*

*City of McGehee
P.O. Box 612
McGehee AR 71654
870-222-3160
Fax: 870-222-5729*

*Council
LeRoy Hood
Margaret Hood
Steve Montgomery
Al Murphy
Mike Rogers
Helen Wesson*

February 20, 2019

The Honorable Elaine Chao, Secretary of Transportation
Office of the Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington D.C. 20590

Dear Ms. Secretary:

Please accept this letter as support for the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project that the Southeast Arkansas Economic Development District and its partners are requesting in their INFRA Grant application for Fiscal Year 2019.

The Southeast Arkansas Economic Development District (SEAEDD), the Port of Lake Providence, LA and the Madison Parish Port, LA are located along an approximately 100-mile-long section of the Mississippi River (the designated M-55 Marine Highway) between McGehee in rural Southeast Arkansas and Tallulah in rural Northeast Louisiana. This section of the Mississippi River between McGehee and Tallulah is also served by a parallel 91.3-mile continuous short line railroad corridor of commerce that interfaces directly with the existing Port of Lake Providence and Madison Parish Port and a yet-to-be constructed rail connection to the separate Port of Yellow Bend near Arkansas City, Arkansas.

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I appreciate the opportunity to share with you the importance of this project to our firm, our states, and our region, and I urge your expeditious approval of SEAEDD's and its partners application for INFRA program funding.

Sincerely,



Jeff Owyong, Mayor

City of Eudora, AR
239 SOUTH MAIN STREET
Eudora, Chicot County, Arkansas 71640
Phone: (870) 355-4436
Fax: (870) 355-4003
Email: EudoraCity@gmail.com

TRAVIS COLLINS, MAYOR
KATIE HARRIS-ELLIOTT, CITY ATTORNEY
PRUSTINA CURRY, CITY CLERK

BOARD OF ALDERMAN
MARY HARRIS
FAYE MOYE
DANITA TURNER
CHARLENE TAYLOR
MARCO TONEY
ROBERT THOMAS
BUELAH MAIDEN
EZELL MINNIEFIELD

Monday, February 25, 2019

The Honorable Elaine Chao, Secretary of Transportation
Office of the Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington D.C. 20590

Dear Ms. Secretary:

Please accept this letter as support for the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project that the Southeast Arkansas Economic Development District and its partners are requesting in their INFRA Grant application for Fiscal Year 2019.

The Southeast Arkansas Economic Development District (SEAEDD), the Port of Lake Providence, LA and the Madison Parish Port, LA are located along an approximately 100-mile-long section of the Mississippi River (the designated M-55 Marine Highway) between McGehee in rural Southeast Arkansas and Tallulah in rural Northeast Louisiana. This section of the Mississippi River between McGehee and Tallulah is also served by a parallel 91.3-mile continuous short line railroad corridor of commerce that interfaces directly with the existing Port of Lake Providence and Madison Parish Port and a yet-to-be constructed rail connection to the separate Port of Yellow Bend near Arkansas City, Arkansas.

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I appreciate the opportunity to share with you the importance of this project to our firm, our states, and our region, and I urge your expeditious approval of SEAEDD's and its partners application for INFRA program funding.

Sincerely,



Travis Collins, Mayor

Date: 21 February 2019

The Honorable Elaine Chao, Secretary of Transportation
Office of the Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington D.C. 20590

Dear Ms. Secretary:

Please accept this letter as support for the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project that the Southeast Arkansas Economic Development District and its partners are requesting in their INFRA Grant application for Fiscal Year 2019.

The Southeast Arkansas Economic Development District (SEAEDD), the Port of Lake Providence, LA and the Madison Parish Port, LA are located along an approximately 100-mile-long section of the Mississippi River (the designated M-55 Marine Highway) between McGehee in rural Southeast Arkansas and Tallulah in rural Northeast Louisiana. This section of the Mississippi River between McGehee and Tallulah is also served by a parallel 91.3-mile continuous short line railroad corridor of commerce that interfaces directly with the existing Port of Lake Providence and Madison Parish Port and a yet-to-be constructed rail connection to the separate Port of Yellow Bend near Arkansas City, Arkansas.

This grant for a multi-state Public Private Partnership will be used to modernize and improve rail safety infrastructure along an important freight corridor and improve the regional connectivity to three inland waterway ports. The infrastructure improvements described in the grant application are needed to provide the ports' railroad customers' access to the nation's rail network. The improvements will have a significant impact to the region's economic development efforts and will expand the effectiveness and cost savings to regional shippers.

The multimodal improvements described in the grant application will provide shippers in the region with new cost-effective alternatives for delivering their produce and manufactured goods to the nation and to the world, as well as providing a new economic development tool for the region, which is so desperately needed. This application for multimodal freight corridor improvements is a critical, much needed step for Arkansas and Louisiana, and a critical much needed step for the region and the nation. Increased transportation of rail and river traffic is important to the growth of our region's and nation's economy.

I appreciate the opportunity to share with you the importance of this project to our firm, our states, and our region, and I urge your expeditious approval of SEAEDD's and its partners application for INFRA program funding.

Sincerely,

Walter Donald
Dermott City Mayor

City of Sheridan

OFFICE OF THE MAYOR
BOX 44

Sheridan, Arkansas 72150

Joe Wise, Jr., Mayor

Carrie Smith, City Clerk-Treasurer

February 20th, 2019

The Honorable Elaine Chao, Secretary of Transportation

Office of the Secretary

U.S. Department of Transportation

1200 New Jersey Avenue, SE

Washington D.C. 20590

Dear Ms. Secretary:

Please accept this letter as support for the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project that the Southeast Arkansas Economic Development District and its partners are requesting in their INFRA Grant application for Fiscal Year 2019.

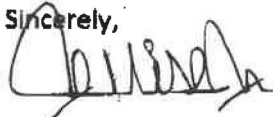
The Southeast Arkansas Economic Development District (SEAEDD), the Port of Lake Providence, LA and the Madison Parish Port, LA are located along an approximately 100-mile-long section of the Mississippi River (the designated M-55 Marine Highway) between McGehee in rural Southeast Arkansas and Tallulah in rural Northeast Louisiana. This section of the Mississippi River between McGehee and Tallulah is also served by a parallel 91.3-mile continuous short line railroad corridor of commerce that interfaces directly with the existing Port of Lake Providence and Madison Parish Port and a yet-to-be constructed rail connection to the separate Port of Yellow Bend near Arkansas City, Arkansas.

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I appreciate the opportunity to share with you the importance of this project to our firm, our states, and our region, and I urge your expeditious approval of SEAEDD's and its partners application for INFRA program funding.

Sincerely,



Joe Wise

Kathleen M. Slavens

General Counsel

kathleenslavens@gmail.com

Arkansas Short Line Railroads, Inc.

4416 S. Arkansas Avenue, Russellville, Arkansas 72802

* 479-968-6455

* 479-968-2634

November 1, 2017

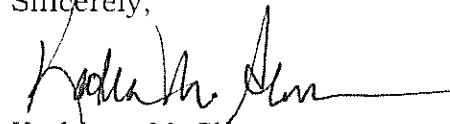
The Honorable Elaine Chao, Secretary of Transportation
Office of the Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington D.C. 20590

Dear Ms. Secretary:

Please accept this letter as support for the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project that the Southeast Arkansas Economic Development District and its partners are requesting in their 2017-18 INFRA Grant application.

Arkansas Short Line Railroads is the parent company of North Louisiana and Arkansas Railroad (NLA). NLA is a partner in the above referenced Grant application, and is well aware of how important the requested improvements are to the Delta area. New rail will attract new businesses, and will thus bring new jobs to this impoverished section of the Delta region. It is because of this need, and our confidence in the very real benefits that will be realized by this project, that NLA is willing to put its own money toward this project. We appreciate that you will also see the benefits to the planned improvements, and request that you fund this project.

Sincerely,



Kathleen M. Slavens
General Counsel,
Arkansas Short Line Railroads

BILL CASSIDY, M.D.
LOUISIANA

WASHINGTON, DC OFFICE:
SUITE SH-520
HART SENATE OFFICE BUILDING
WASHINGTON, DC 20510
(202) 224-5824

United States Senate

February 19, 2019

COMMITTEES:
FINANCE
HEALTH, EDUCATION, LABOR,
AND PENSIONS
ENERGY AND NATURAL
RESOURCES
VETERANS' AFFAIRS
JOINT ECONOMIC COMMITTEE

The Honorable Elaine Chao
Secretary
U.S. Department of Transportation
1200 New Jersey Ave., SE
Washington, DC 20590-0001

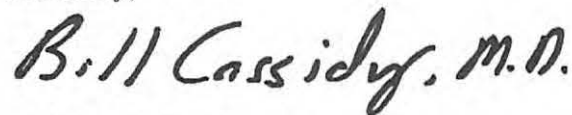
Dear Secretary Chao:

It has recently come to my attention that the Southeast Arkansas Economic Development District is applying for funding from the Infrastructure For Rebuilding America (INFRA) grant program. They are requesting \$29,541,000 this year to perform upgrades on a short rail system in Arkansas and Louisiana.

The Southeast Arkansas Economic Development District plans to use the funds to complete rail rehabilitation that would allow trains to travel up to 25 miles per hour; to improve rail connectivity between customers and other railroads; and upgrade bridges and road crossings. This project is part of a multiyear investment in the railroad. The project is expected to benefit communities from Tallulah, Louisiana, to Southeast Arkansas. The targeted short rail is connected to the Ports of Lake Providence and Madison on the Mississippi River in Louisiana.

I appreciate the department's consideration of this application. I ask that you please keep my office informed on the progress of this proposal as well as when a final decision has been made regarding this grant. Should you have any questions, please feel free to contact Michael Eby in my Baton Rouge Office at (225) 929-7711.

Sincerely,



Bill Cassidy, M.D.
United States Senator

BC/ME

Congress of the United States

Washington, DC 20515

February 28, 2019

The Honorable Elaine Chao
Secretary
Department of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590

Dear Secretary Chao:

We write in support of the proposal submitted by the Southeast Arkansas Economic Development District (SEAEDD) and its partners for funding under the FY 2019 Infrastructure for Rebuilding America (INFRA) Grant program to construct the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project.

SEAEDD, the Port of Lake Providence, LA and the Madison Parish Port, LA are located along an approximately 100-mile stretch of the Mississippi River between McGehee in rural Southeast Arkansas and Tallulah in rural Northeast Louisiana. This stretch is also served by a parallel 91.3-mile short line railroad that interfaces directly with the Port of Lake Providence and Madison Parish Port, and will soon serve an additional rail connection to the Port of Yellow Bend near Arkansas City, AR.

Funds will be used to modernize rail infrastructure in order to increase the speed, safety and overall efficiency of the rail system, and to improve connectivity between three inland ports. These improvements will reduce shipping costs and provide customers of the ports with a cost-effective alternative for delivering commodities and manufactured goods to market. Greater connectivity for producers and shippers with the region's inland waterway ports will provide a new economic development tool and increased opportunities for a historically underserved area of the country.

Increasing commercial rail and barge traffic is critical to economic growth in this region and throughout the nation. This proposal is a great example of a multimodal transportation project that improves existing infrastructure in a rural area and will provide much needed economic benefits to this region as well as manufacturers and end-users in connected markets.

As you continue to evaluate proposals to improve and rebuild our Nation's infrastructure, we ask that you give all due consideration to this project for funding under the INFRA Grant program. Thank you for your consideration of this request.

Sincerely,



John Kennedy
U.S. Senator



Ralph Abraham, M.D.
U.S. Representative



SENATE
STATE OF LOUISIANA

FRANCIS C. THOMPSON

State Senator
District 34
P.O. Box 68
Delhi, LA 71232
Phone: (318) 878-9408
Fax: (318) 878-5650
Email: thompson@legis.la.gov

COMMITTEES:

Agriculture, Forestry, Aquaculture and
Rural Development, *Chairman*
Commerce, Consumer Protection and
International Affairs
Finance, *Interim Member*
Joint Legislative Committee on the Budget
Select Committee on Homeland Security

February 12, 2019

The Honorable Elaine Chao, Secretary of Transportation
Office of the Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington, D.C. 20590

Ms. Secretary,

Please accept this letter as support for the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project that the Southeast Arkansas Economic Development District and its partners are requesting in their INFRA Grant application for Fiscal Year 2019.

The Southeast Arkansas Economic Development District (SEAEDD), the Port of Lake Providence, LA and the Madison Parish Port, LA are located along an approximately 100-mile long section of the Mississippi River (the designated M-55 Marine Highway) between McGehee in rural Southeast Arkansas and Tallulah in rural Northeast Louisiana. This section of the Mississippi River between McGehee and Tallulah is also served by a parallel 91.3-mile continuous short line railroad corridor of commerce that interfaces directly with the existing Port of Lake Providence and Madison Parish Port and a yet-to-be constructed rail connection to the separate Port of Yellow Bend near Arkansas City, Arkansas.

This grant for a multi-state Public Private Partnership will be used to modernize and improve rail safety infrastructure along an important freight corridor and improve the regional connectivity to three inland waterway ports. The infrastructure improvements described in the grant application are needed to provide the ports' railroad customers' access to the nation's rail network. The improvements will have a significant impact to the region's economic development efforts and will expand the effectiveness and cost savings to regional shippers.

The multimodal improvements described in the grant application will provide shippers in the region with new cost-effective alternatives for delivering their produce and manufactured goods to the nation and to the world, as well as providing a new economic development tool for the region, which is so desperately needed. This application for multimodal freight corridor improvements is a critical, much needed step for the region and the nation. Increased transportation of rail and river traffic is important to the growth of our region's and nation's economy.

I appreciate the opportunity to share with you the importance of the project to our state and our region. I urge your expeditious approval of SEAEDD's and its partner's application for INFRA program funding.

Sincerely,

Francis C. Thompson
State Senator, District 34

LOUISIANA HOUSE OF REPRESENTATIVES



200 Advocate Row, Suite D
Vidalia, Louisiana 71373
Email: larep021@legis.state.la.us
Phone: 318.336.5865
800.259.3660
Fax: 318.336.9268

Agriculture, Forestry,
Aquaculture and Rural Development
Insurance
Commerce

ANDY ANDERS

State Representative ~ District 21

February 20, 2019

The Honorable Elaine Chao, Secretary of Transportation
Office of the Secretary
U. S. Department of Transportation
1200 New Jersey Avenue, SE
Washington, D. C. 20590

Dear Ms. Secretary:

Please accept this letter as support for the Southeast Arkansas and Northeast Louisiana Multi modal Freight Corridor Improvement Project that the Southeast Arkansas Economic Development District and its partners are requesting in their INFRA Grant application for Fiscal Year 2019.

The Southeast Arkansas Economic Development District(SEADD), the Port of Lake Providence, LA and the Madison Parish Port, LA are located along an approximately 100-mile long section of the Mississippi River (the designated M-55 Marine Highway) between McGehee in rural Southeast Arkansas and Tallulah in rural Northeast Louisiana. This section of the Mississippi River between McGehee and Tallulah is also served by a parallel 91.3 mile continuous short line railroad corridor of commerce that interfaces directly with the existing Port of Lake Providence and Madison Parish Port and a yet-to-be constructed rail connection to the separate Port of Yellow Bend near Arkansas City, Arkansas.

This grant for a multi-state Public Private Partnership will be used to modernize and improve rail safety infrastructure along an important freight corridor and improve the regional connectivity to three inland waterway ports. The infrastructure improvements described in the grant application are needed to provide the ports' railroad customers' access to the nation's rail network. The improvements will have a significant impact to the region's economic development efforts and will expand the effectiveness and cost savings to regional shippers.

The Multi modal improvements described in the grant application will provide shippers in the region with new cost-effective alternatives for delivering their produce and manufactured goods to the nation and to the world, as well as providing a new economic development tool for the region, which is so desperately needed. This application for Multi modal freight corridor improvements is a critical, much needed step for Arkansas and Louisiana, and a critical much needed step for the region and the nation's economy.

I appreciate the opportunity to share with you the importance of this project to our firm, our states, and our region, and I urge your expeditious approval of SEADD's and its partners application for INFRA program funding.

Sincerely,

A handwritten signature in black ink that reads "Andy Anders". The signature is written in a cursive, flowing style with a long horizontal stroke at the end.

Andy Anders
State Representative/District 21

LOUISIANA HOUSE OF REPRESENTATIVES



P.O. Box 8
806 Louisa Street, Suite B
Rayville, LA 71269
Email: chanyb@legis.la.gov
Phone: 318.728.5875
Fax: 318.728.5876

CHARLES R. "BUBBA" CHANEY
State Representative ~ District 19

Agriculture, Forestry, Aquaculture, and
Rural Development
Appropriations
Health and Welfare
House Committee on Enrollment
Joint Legislative Committee
on the Budget

February 14, 2019

The Honorable Elaine Chao
Secretary of Transportation
Office of the Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington, D.C. 20590

Dear Madam Secretary:

Please accept this letter as support for the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvements Project that the Southeast Arkansas Economic Development District and its partners are requesting in their INFRA Grant for Fiscal year 2019.

The Southeast Arkansas Economic Development District (SEAEDD), the Port of Lake Providence, LA and the Madison Parish Port, LA are located along an approximately 100 mile-long section of the Mississippi River (the designated M-55 Marine Highway) between McGehee in rural Southeast Arkansas and Tallulah in rural Northeast Louisiana. This section of the Mississippi River between McGehee and Tallulah is also served by a parallel 91.3 mile continuous short line railroad corridor of commerce that interfaces directly with the existing Port of Lake Providence and Madison Parish Port and a yet-to-be constructed rail connection to the separate Port of Yellow Bend near Arkansas City, Arkansas.

This grant for a multi-state Public Private Partnership will be modernized and improve rail safety infrastructure along an important freight corridor and improve the regional connectivity to three inland waterway ports. The infrastructure improvements described in the grant application are needed to provide the ports' railroad customers' access to the nation's rail network. The improvements will have a significant impact to the regions economic development efforts and will expand the effectiveness and cost savings to regional shippers.

Page # 2

Lake Providence, LA
Letter of Support 2019 INFRA Grant

The multimodal improvements described in the grant application will provide shippers in the region with new cost-effective alternatives for delivering their produce and manufactured goods to the nation and to the world, as we provide a new economic development tool for the region which is so desperately needed. This application for multimodal freight corridor improvements is critical, much needed step for Arkansas and Louisiana, and a critical much needed step for the region and the nation. Increased transportation of rail and river traffic is important to the growth of our region's and nation's economy.

I appreciate the opportunity to share with you the importance of this project to businesses using this railway and these ports, our state, and our region, and I urge your expeditious approval of SEAEDD's and its partners application for INFRA program funding.

Yours truly,



CHARLES R. CHANEY
LA STATE REPRESENTATIVE
DISTRICT 19

C: Mr. Lee Denny, Assistant Manager, Port of Lake Providence



LOUISIANA DEPARTMENT OF AGRICULTURE & FORESTRY

MIKE STRAIN DVM
COMMISSIONER



February 21, 2019

The Honorable Elaine L. Chao
US Department of Transportation
1200 New Jersey Ave, SE
Washington, DC 20590
United States

Dear Secretary Chao: *Elaine*

I hope this letter finds you well. It was a pleasure to meet you and work together at the White House Infrastructure Summit in August 2017. I am writing to offer my support support for the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project that the Southeast Arkansas Economic Development District and its partners are presenting in their INFRA Grant application for Fiscal Year 2019.

The Southeast Arkansas Economic Development District (SEAEDD), the Port of Lake Providence and the Madison Parish Port are located along an approximately 100-mile-long section of the Mississippi River (the designated M-55 Marine Highway) between McGehee in rural Southeast Arkansas and Tallulah in rural Northeast Louisiana. This section of the Mississippi River between McGehee and Tallulah is also served by a parallel 91.3-mile continuous short line railroad corridor of commerce that interfaces directly with the existing Port of Lake Providence and Madison Parish Port and a yet-to-be constructed rail connection to the separate Port of Yellow Bend near Arkansas City, Arkansas. This grant for a multi-state Public Private Partnership will be used to modernize and improve rail safety infrastructure along an important freight corridor and improve the regional connectivity to three inland waterway ports. The improvements will have a significant impact to the region's economic development efforts and will expand the effectiveness and cost savings to regional shippers.

The multimodal improvements described in the grant application will provide shippers in the region with new cost-effective alternatives for delivering their produce and manufactured goods to the nation and to the world, as well as providing a new economic development tool for the region. I respectfully request your favorable consideration for this grant application.

Sincerely,

Mike Strain
Mike Strain, DVM
Commissioner



666 North Street, Baton Rouge, LA 70802
Phone: 225.572.1916

February 21, 2019

The Honorable Elaine Chao, Secretary of Transportation
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington D.C. 20590

Dear Secretary Chao:

Please accept this letter as support for the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project that the Southeast Arkansas Economic Development District and its partners are requesting in their INFRA Grant application for Fiscal Year 2019.

The Southeast Arkansas Economic Development District (SEAEDD), the Port of Lake Providence, Louisiana and the Madison Parish Port, Louisiana are located along an approximately 100-mile-long section of the Mississippi River (the designated M-55 Marine Highway) between McGehee in rural Southeast Arkansas and Tallulah in rural northeast Louisiana. This section of the Mississippi River between McGehee and Tallulah is also served by a parallel 91.3-mile continuous short line railroad corridor of commerce that interfaces directly with the existing Port of Lake Providence and Madison Parish Port and a yet-to-be constructed rail connection to the separate Port of Yellow Bend near Arkansas City, Arkansas.

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I appreciate the opportunity to share with you the importance of this project to our organization and our region, and I urge your expeditious approval of SEAEDD's and its partners application for INFRA program funding.

Sincerely,



Jennifer L. Marusak
Executive Director
Ports Association of Louisiana



February 20, 2019

The Honorable Elaine Chao, Secretary of Transportation
Office of the Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington, D.C. 20590

Dear Ms. Secretary:

Please accept this letter as support for the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project that the Southeast Arkansas Economic Development District and its partners are requesting in their INFRA Grant application for Fiscal Year 2019.

The Southeast Arkansas Economic Development District (SEAEDD), the Port of Lake Providence, LA and the Madison Parish Port, LA are located along an approximately 100-mile-long section of the Mississippi River (the designated M-55 Marine Highway) between McGehee in rural Southeast Arkansas and Tallulah in rural Northeast Louisiana. This section of the Mississippi River between McGehee and Tallulah is also serviced by a parallel 91.3 –mile continuous short line railroad corridor of commerce that interfaces directly with the existing Port of Lake Providence and Madison Parish Port and a yet-to-be constructed rail connection to the separate Port of Yellow Bend near Arkansas City, Arkansas.

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I appreciate the opportunity to share with you the importance of this project to our firm, our states, and our region, and I urge your expeditious approval of SEAEDD's and its partners application for INFRA program funding.

Sincerely,



Tana Trichel, President/CEO

Economic Development
Mail and Operations

LOUISIANA DELTA COMMUNITY COLLEGE | ADVANCED TECHNOLOGY BUILDING
7500 MILLHAVEN ROAD, ROOM 210 | MONROE, LA 71203 | P. 318.345.9288
204 Fair Avenue | Winnsboro, LA 71295
p. 318.435.4 865 | f. 318.435.4895

DISTRICT 1
ROBERT D. FORTENBERRY

DISTRICT 2
STANLEY OGDEN

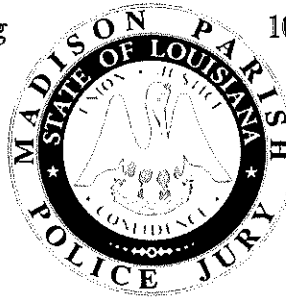
DISTRICT 3
PATRICIA BUCHANAN

DISTRICT 4
JOHNNY HUGHES

DISTRICT 5
JANE G. SANDERS

Madison Parish Police Jury

Courthouse Building
Ofc (318) 574-3451



100 North Cedar Street
Fax (318) 574-3122

Tallulah, Louisiana 71282

MARGARET DEW
SECT/TREAS

MARILYN WYCHE
ASST SECT/TREAS

MARGARET WHITNEY
ADMIN CLERK

CLINTON EPPS
SUPERINTENDENT

LARRY HEARN
ASST SUPERINTENDENT

February 25, 2019

The Honorable Elaine Chao, Secretary of Transportation
Office of the Secretary
U. S. Department of Transportation
1200 New Jersey Avenue, SE
Washington D.C. 20590

Dear Ms. Secretary:

Please accept this letter as support for the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project that the Southeast Arkansas Economic Development District and its partners are requesting in their INFRA Grant application for Fiscal Year 2019.

The Southeast Arkansas Economic Development District (SEAEDD), the Port of Lake Providence, LA and the Madison Parish Port, LA are located along an approximately 100-mile-long section of the Mississippi River (the designated M-55 Marine Highway) between McGehee in rural Southeast Arkansas and Tallulah in rural Northeast Louisiana. This section of the Mississippi River between McGehee and Tallulah is also served by a parallel 91.3-mile continuous short line railroad corridor of commerce that interfaces directly with the existing Port of Lake Providence and Madison Parish Port and a yet-to-be constructed rail connection to the separate Port of Yellow Bend near Arkansas City, Arkansas.

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I appreciate the opportunity to share with you the importance of this project to our firm, our states, and our region, and I urge your expeditious approval of SEAEDD's and its partners application to NFRA program funding.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert D. Fortenberry". The signature is fluid and cursive, with a large, stylized initial "R".

Robert D. Fortenberry
President Madison Parish Police Jury

East Carroll Parish Police Jury

400 First Street, Suite 5
Lake Providence, LA 71254

MEMBERS:

BILLY TRAVIS , Dist. 1
KOFI DARDEN-HAWKINS, Dist. 2
BRIAN BLOCKWOOD, Dist. 3
KENDALL L. THOMPSON, Dist.4
S. LEE DENNY, Dist.5

PRESIDENT

S. Lee Denny

VICE-PRESIDENT

Kendall L. Thompson

SECRETARY-TREASURER

Natosha Davis

TELEPHONE 318 / 559-2256

FAX NO. 318 / 559-1502

E-mail: ecpj400@att.net

February 12, 2019

The Honorable Elaine Chao, Secretary of Transportation
Office of the Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington D. C. 20590

Dear Ms. Secretary:

Please accept this letter as support for the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor improvement Project that the Southeast Arkansas Economic Development District and its partners are requesting in their INFRA Grant application for Fiscal Year 2019.

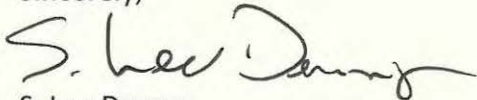
The Southeast Arkansas Economic Development District (SEAEDD), the Port of Lake Providence, LA and the Madison Parish Port, LA are located along an approximately 100-mile-long section of the Mississippi River (the designated M-55 Marine Highway) between McGehee in rural Southeast Arkansas and Tallulah in rural Northeast Louisiana. This section of the Mississippi River between McGehee and Tallulah is also served by a parallel 91.3-mile continuous short line railroad corridor of commerce that interfaces directly with the existing Port of Lake Providence and Madison Parish Port and a yet-to-be constructed rail connection to the separate Port of Yellow Bend near Arkansas City, Arkansas.

This grant for a multi-state Public Private Partnership will be used to modernize and improve rail safety infrastructure along an important freight corridor and improve the regional connectivity to three inland waterway ports. The infrastructure improvements described in the grant application are needed to provide the port's railroad customer's access to the nation's rail network. The improvements will have a significant impact to the region's economic development efforts and will expand the effectiveness and cost savings to regional shippers.

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I appreciate the opportunity to share with you the importance of this project to our firm, our states, and our region, and I urge your expeditious approval of SEAEDD's and its partners application for INFRA program funding.

Sincerely,

A handwritten signature in black ink, appearing to read "S. Lee Denny". The signature is fluid and cursive, with the first name "S." and last name "Denny" clearly visible.

S. Lee Denny

Gloria Owens Hayden
Interim Mayor
Charles Finlayson
District 1
Martez Robinson
District 2
Andrew Sims
District 3
Marjorie Day
District 4
Michael Whitney
District 5



204 North Cedar Street
Tallulah, Louisiana 71282
Telephone (318) 574-0964
Fax (318) 574-2773

Office of the Mayor

February 21, 2019

The Honorable Elaine Chao, Secretary of Transportation
Office of the Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington D.C. 20590

Dear Ms. Secretary Chao:

Please accept this letter as support for the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project that the Southeast Arkansas Economic Development District and its partners are requesting in their 2017-18 INFRA Grant application.

The Southeast Arkansas Economic Development District (SEAEDD), the Port of Lake Providence, LA and the Madison Parish Port, LA are located along an approximately 100-mile-long section of the Mississippi River (the designated M-55 Marine Highway) between McGehee in rural Southeast Arkansas and Tallulah in rural Northeast Louisiana. This section of the Mississippi River between McGehee and Tallulah is also served by a parallel 91.3-mile continuous short line railroad corridor of commerce that interfaces directly with the existing Port of Lake Providence and Madison Parish Port and a yet-to-be constructed rail connection to the separate Port of Yellow Bend near Arkansas City, Arkansas.

This grant will be used to modernize and improve rail safety infrastructure along an important freight corridor and improve the regional connectivity to three inland waterway ports. The infrastructure improvements described in the grant application are needed to provide the ports railroad customers access to the nation's rail network. The improvements will have a significant impact to the region's economic development efforts and will expand the effectiveness and cost savings to regional shippers.

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I appreciate the opportunity to share with you the importance of this project to our states, and our region, and I urge your expeditious approval of SEAEDD's and its partners application for INFRA program funding.

Sincerely,

A handwritten signature in blue ink, reading "Gloria Owens Hayden". The signature is fluid and cursive, with the first name "Gloria" being the most prominent.

Gloria Owens Hayden

Mayor

Town of Lake Providence

Robert N. Amacker Jr.
Mayor
Lee Ann W. Clement
Clerk

EXECUTIVE DEPARTMENT
201 SPARROW STREET
LAKE PROVIDENCE, LOUISIANA 71254
TELEPHONE: 318-559-2288
FAX: 318-559-3442

Alderman:
Jason Condrey
Nathaniel Madere
Barbara McDaniel
Karl Magee
Donald B. Meadows
Attorney: Kenneth
"Andy" Brister, Jr.

October 24, 2017

The Honorable Elaine Chao, Secretary of Transportation
Office of the Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington D.C. 20590

Dear Ms. Secretary:

Please accept this letter as support for the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project that the Southeast Arkansas Economic Development District and its partners are requesting in their 2017-18 INFRA Grant application.

The Southeast Arkansas Economic Development District (SEAEDD), the Port of Lake Providence, LA and the Madison Parish Port, LA are located along an approximately 100-mile-long section of the Mississippi River (the designated M-55 Marine Highway) between McGehee in rural Southeast Arkansas and Tallulah in rural Northeast Louisiana. This section of the Mississippi River between McGehee and Tallulah is also served by a parallel 91.3-mile continuous short line railroad corridor of commerce that interfaces directly with the existing Port of Lake Providence and Madison Parish Port and a yet-to-be constructed rail connection to the separate Port of Yellow Bend near Arkansas City, Arkansas.

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"This institution is an equal opportunity provider and employer"

Town of Lake Providence

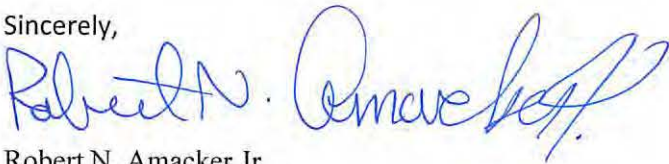
Robert N. Amacker Jr.
Mayor
Lee Ann W. Clement
Clerk

EXECUTIVE DEPARTMENT
201 SPARROW STREET
LAKE PROVIDENCE, LOUISIANA 71254
TELEPHONE: 318-559-2288
FAX: 318-559-3442

Alderman:
Jason Condrey
Nathaniel Madere
Barbara McDaniel
Karl Magee
Donald B. Meadows
Attorney: Kenneth
"Andy" Brister, Jr.

I appreciate the opportunity to share with you the importance of this project to our firm, our states, and our region, and I urge your expeditious approval of SEAEDD's and its partners application for INFRA program funding.

Sincerely,

A handwritten signature in blue ink, appearing to read "Robert N. Amacker Jr.", with a stylized flourish at the end.

Robert N. Amacker Jr.
Mayor, Lake Providence



October 17, 2017

The Honorable Elaine Chao, Secretary of Transportation
Office of the Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington D.C. 20590

Dear Ms. Secretary:

Please accept this letter as support for the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project that the Southeast Arkansas Economic Development District and its partners are requesting in their 2017-18 INFRA Grant application.

The Southeast Arkansas Economic Development District (SEAEDD), the Port of Lake Providence, LA and the Madison Parish Port, LA are located along an approximately 100-mile-long section of the Mississippi River (the designated M-55 Marine Highway) between McGehee in rural Southeast Arkansas and Tallulah in rural Northeast Louisiana. This section of the Mississippi River between McGehee and Tallulah is also served by a parallel 91.3-mile continuous short line railroad corridor of commerce that interfaces directly with the existing Port of Lake Providence and Madison Parish Port and a yet-to-be constructed rail connection to the separate Port of Yellow Bend near Arkansas City, Arkansas.

This grant will be used to modernize and improve rail safety infrastructure along an important freight corridor and improve the regional connectivity to three inland waterway ports. The infrastructure improvements described in the grant application are needed to provide the ports railroad customers access to the nation's rail network. The improvements will have a significant impact to the region's economic development efforts and will expand the effectiveness and cost savings to regional shippers.

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I appreciate the opportunity to share with you the importance of this project to our firm, our states, and our region, and I urge your expeditious approval of SEAEDD's and its partners application for INFRA program funding.

Sincerely,

Matt Prince
Director of Operations

2929 E. Commercial Blvd., Suite PH-D - Fort Lauderdale, FL 33308
Toll free: 1-855-948-RAIL (7245) - www.ContinentalRail.us



October 16, 2017

The Honorable Elaine Chao, Secretary of Transportation
Office of the Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington D.C. 20590

Dear Ms. Secretary:

Please accept this letter as support for the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project that the Southeast Arkansas Economic Development District and its partners are requesting in their 2017-18 INFRA Grant application.

The Southeast Arkansas Economic Development District (SEAEDD), the Port of Lake Providence, LA and the Madison Parish Port, LA are located along an approximately 100-mile-long section of the Mississippi River (the designated M-55 Marine Highway) between McGehee in rural Southeast Arkansas and Tallulah in rural Northeast Louisiana. This section of the Mississippi River between McGehee and Tallulah is also served by a parallel 91.3-mile continuous short line railroad corridor of commerce that interfaces directly with the existing Port of Lake Providence and Madison Parish Port and a yet-to-be constructed rail connection to the separate Port of Yellow Bend near Arkansas City, Arkansas.

This grant will be used to modernize and improve rail safety infrastructure along an important freight corridor and improve the regional connectivity to three inland waterway ports. The infrastructure improvements described in the grant application are needed to provide the ports railroad customers access to the nation's rail network. The improvements will have a significant impact to the region's economic development efforts and will expand the effectiveness and cost savings to regional shippers, with our manufacturing plant, with 350 ee's benefitting from this investment.

The multimodal improvements described in the grant application will provide shippers in the region with new cost-effective alternatives for delivering their produce and manufactured goods to the nation and to the world, as well as providing a new economic development tool for the region, which is so desperately needed. This application for multimodal freight corridor improvements is a positive step for Arkansas and Louisiana, and a positive step for the region and the nation. Increased transportation of rail and river traffic is important to the growth of our region's and nation's economy.

I appreciate the opportunity to share with you the importance of this project to our firm, our states, and our region, and I urge your expeditious approval of SEAEDD's and its partners application for INFRA program funding.

Sincerely,

A handwritten signature in black ink, appearing to read "Fred W. Eubanks", written over a horizontal line.

Fred W. Eubanks
Human Resources Mgr-HRMC/Southeast Region
Hydro Extrusion North America
142 Sapa Drive
Delhi, LA 71232
(318) 341.7402

Hydro (Formerly Sapa)
Extrusion North America
www.hydroextrusions.com
142 Sapa Drive, Delhi LA 71232

mailed 2/21/19



February 20, 2019

The Honorable Elaine Chao, Secretary of Transportation
Office of the Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington, D.C. 20590

Dear Ms. Secretary:

Please accept this letter as support for the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project that the Southeast Arkansas Economic Development District and its partners are requesting in their INFRA Grant application for Fiscal Year 2019.

The Southeast Arkansas Economic Development District (SEAEDD), the Port of Lake Providence, LA and the Madison Parish Port, LA are located along an approximately 100-mile-long section of the Mississippi River (the designated M-55 Marine Highway) between McGehee in rural Southeast Arkansas and Tallulah in rural Northeast Louisiana. This section of the Mississippi River between these two points is also served by a parallel 91.3-mile continuous short line railroad corridor of commerce that interfaces directly with the existing Port of Lake Providence and Madison Parish Port and a yet-to-be constructed rail connection to the separate Port of Yellow Bend near Arkansas City, AR.

This grant for a multi-state Public Private Partnership will be used to modernize and improve rail safety infrastructure along an important freight corridor and improve the regional connectivity to three inland waterway ports. The infrastructure improvements described in the grant application are needed to provide the ports' railroad customers access to the nation's rail network. The improvements will have significant impact to the region's economic development efforts and will expand the effectiveness and cost savings to regional shippers.

The multimodal improvements described in the grant application will provide shippers in the region with new cost-effective alternatives for delivering their produce and manufactured goods to the nation and to the world, as well as providing a new economic development tool for the region, which is so desperately needed. This application for multimodal freight corridor improvements is a positive step for Arkansas and Louisiana, and a positive step for the region and the nation. Increased transportation of rail and river traffic is important to the growth of our economy.

I appreciate the opportunity to share with you the importance of this project to our company and the areas we operate in. I urge your expeditious approval of SEAEDD's and its partners' application for INFRA program funding.

Sincerely,

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

Kevin Tubbs
Operations Manager

February 26, 2019

The Honorable Elaine Chao, Secretary of Transportation
Office of the Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington, D.C. 20590

Dear Mrs. Secretary:

Please accept this letter as support for the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project that the Southeast Arkansas Economic Development District and its partners are requesting in their INFRA Grant application for Fiscal Year 2019.

The Southeast Arkansas Economic Development District (SEAEDD), the Port of Lake Providence, LA and the Madison Parish Port, LA are located along an approximately 100-mile-long section of the Mississippi River (the designated M-55 Marine Highway) between McGehee in rural Southeast Arkansas and Tallulah in rural Northeast Louisiana. This section of the Mississippi River between McGehee and Tallulah is also served by a parallel 91.3-mile continuous short line railroad corridor of commerce that interfaces directly with the existing Port of Lake Providence and the Madison Parish Port and a yet-to-be constructed rail connection to the separate Port of Yellow Bend near Arkansas City, Arkansas.

This grant for a multi-state Public Private Partnership will be used to modernize and improve rail safety infrastructure along an important freight corridor and improve the regional connectivity to three inland waterway ports. The infrastructure improvements described in the grant application are needed to provide the ports' railroad customers' access to the nation's rail network. The improvements will have a significant impact to the region's economic development efforts and will expand the effectiveness and cost savings to the regional shippers.

The multimodal improvements described in the grant application will provide shippers in the region with new cost-effective alternatives for delivering their produce and manufactured goods to the nation and to the world, as well as providing a new economic development tool for the region, which is so desperately needed. This application for multimodal freight corridor improvements is a critical, much needed step for Arkansas and Louisiana, and a critical much needed step for the region and the nation. Increased transportation of rail and river traffic is important to the growth of our region's and nation's economy.

I appreciate the opportunity to share with you the importance of this project to our firm, our states, and our region, and I urge your expeditious approval of SEAEDD's and its partners application for INFRA program funding.

Respectfully,

Terral RiverService, Inc.



Neil Martin
Vice President



COMPLEX CHEMICAL CO., INC.

MADISON PARISH PORT INDUSTRIAL PARK
P.O. BOX 1352
TALLULAH, LA 71282
PHONE: (318) 574-0382

February 26, 2019

The Honorable Elaine Chao, Secretary of Transportation
Office of the Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington D.C. 20590

Dear Ms. Secretary Chao:

Please accept this letter as support for the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project that the Southeast Arkansas Economic Development District and its partners are requesting in their 2017-18 INFRA Grant application.

The Southeast Arkansas Economic Development District (SEAEDD), the Port of Lake Providence, LA and the Madison Parish Port, LA are located along an approximately 100-mile-long section of the Mississippi River (the designated M-55 Marine Highway) between McGehee in rural Southeast Arkansas and Tallulah in rural Northeast Louisiana. This section of the Mississippi River between McGehee and Tallulah is also served by a parallel 91.3 – mile continuous short line railroad corridor of commerce that interfaces directly with the existing Port of Lake Providence and Madison Parish Port and yet – to – be constructed rail connection to the separate Port of Yellow Bend near Arkansas City, Arkansas.

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I appreciate the opportunity to share with you the importance of this project to our states, and our region, and I urge your expeditious approval of SEAEDD's and its partners application for INFRA program funding.

Sincerely,

A handwritten signature in black ink, appearing to read "Travis Melton". The signature is fluid and cursive, with the first name "Travis" written in a larger, more prominent script than the last name "Melton".

Travis Melton

VP Sales & Marketing
Complex Chemical Co., Inc.
177 Complex Chemical Rd.
Tallulah, LA 71282
318-574-0382



405 Port Road
Lake Providence, LA
71254

2/20/19

**The Honorable Elaine Chao, Secretary of Transportation
Office of the Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington D.C. 20590**

Dear Ms. Secretary:

Please accept this letter as support for the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project that the Southeast Arkansas Economic Development District and its partners are requesting in their INFRA Grant application for Fiscal Year 2019.

The Southeast Arkansas Economic Development District (SEAEDD), the Port of Lake Providence, LA and the Madison Parish Port, LA are location along an approximately 100-mile-long section of the Mississippi River (the designated M-55 Marine Highway) between McGehee in rural Southeast Arkansas and Tallulah in rural Northeast Louisiana. This section of the Mississippi River between McGehee and Tallulah is also served by a parallel 91.3-mile continuous short line railroad corridor of commerce that interfaces directly with the existing Port of Lake Providence and Madison Parish Port and a yet-to-be constructed rail connection to the separate Port of Yellow Bend near Arkansas City, AR.

This grant for a multi-state Public Private Partnership will be used to modernize and improve rail safety infrastructure along an important freight corridor and improve the regional connectivity to three inland waterway ports. The infrastructure improvements described in the grant application are needed to provide the ports' railroad customers' access to the nation's rail network. The improvements will have a significant impact to the region's economic development efforts and will expand the effectiveness and cost savings to regional shippers.

The multimodal improvements described in the grant application will provide shippers in the region with new cost-effective alternatives for delivering their produce and manufactured good to the nation and to the world, as well as providing a new economic development tool for the region, which is so desperately needed. This application for the multimodal freight corridor improvements is a critical, much needed step for Arkansas and Louisiana, and a critical much needed step for the region and the nation. Increased transportation of rail and river traffic is important to the growth of our region's and nation's economy.

I appreciate the opportunity to share with you the importance of this project to our firm, our states, and our region, and I urge your expeditious approval of SEAEDD's and its partners application of INFRA program funding.

Sincerely,

**Larry Stivers
CHS Crop Nutrients
East Sales Manager**



2/20/2019

The Honorable Elaine Chao, Secretary of Transportation
Office of the Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington D.C. 20590

Dear Ms. Secretary:

Please accept this letter as support for the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project that the Southeast Arkansas Economic Development District and its partners are requesting in their INFRA Grant application for the 2019 fiscal year.

The Southeast Arkansas Economic Development District (SAEDD), the Port of Lake Providence, LA and the Madison Parish Port, LA are located along an approximately 100 mile long section of the Mississippi River (the designated M-55 Marine Highway) between McGehee in rural southeast Arkansas and Tallulah in rural northeast Louisiana. This section of the Mississippi River between McGehee and Tallulah is also serviced by a parallel 91.3 mile continuous short line railroad corridor of commerce that directly connects the Port of Lake Providence to the Port of Madison Parish. There is also a yet-to-be-constructed rail connection to the separate Port of Yellow Bend near Arkansas City, Arkansas.

This grant for a multi-state Public Private Partnership will be used to modernize and improve rail safety infrastructure along an already important freight corridor and improve the regional connectivity to three inland waterway ports. The infrastructure improvements described in the grant application are needed to provide access to the nation's railway network for each of the respective port's railroad customers. The improvements will have a significant impact to the region's economic development efforts and will expand the effectiveness and cost savings to regional shippers.

The multimodal improvements described in the grant application will provide shippers in the region with new cost-effective alternatives for delivering their produce and manufactured goods to the nation and to the world, as well as providing a new economic development tool for the region, which is so desperately needed. This application for multimodal freight corridor improvements is a critical step for Arkansas and Louisiana, and a much needed step for the region and the nation. Increased transportation via rail and river traffic is important to the growth of our region's and nation's economy.

I appreciate the opportunity to share with you the importance of this project to our firm, our states, and our region. I urge your expeditious approval of SEAEDD's and its partners' application for INFRA program funding.

Sincerely,

A handwritten signature in black ink, appearing to read "David Cirilli".

David Cirilli

Helena Agri-Enterprises, LLC

Date: 2/25/19

The Honorable Elaine Chao, Secretary of Transportation
Office of the Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington D.C. 20590



Dear Ms. Secretary:

Please accept this letter as support for the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project that the Southeast Arkansas Economic Development District and its partners are requesting in their INFRA Grant application for Fiscal Year 2019.

The Southeast Arkansas Economic Development District (SEAEDD), the Port of Lake Providence, LA and the Madison Parish Port, LA are located along an approximately 100-mile-long section of the Mississippi River (the designated M-55 Marine Highway) between McGehee in rural Southeast Arkansas and Tallulah in rural Northeast Louisiana. This section of the Mississippi River between McGehee and Tallulah is also served by a parallel 91.3-mile continuous short line railroad corridor of commerce that interfaces directly with the existing Port of Lake Providence and Madison Parish Port and a yet-to-be constructed rail connection to the separate Port of Yellow Bend near Arkansas City, Arkansas.

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I appreciate the opportunity to share with you the importance of this project to our firm, our states, and our region, and I urge your expeditious approval of SEAEDD's and its partners application for INFRA program funding.

Sincerely,

A handwritten signature in black ink that reads "Bruce McNabb". The signature is written in a cursive, flowing style.

Bruce McNabb
Operations Manager
South Delta Division

March 28, 2019

The Honorable Elaine Chao, Secretary of Transportation
Office of the Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington D.C. 20590

Dear Ms. Secretary:

Please accept this letter as support for the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project that the Southeast Arkansas Economic Development District and its partners are requesting in their INFRA Grant application for Fiscal Year 2019.

The Southeast Arkansas Economic Development District (SEAEDD), the Port of Lake Providence, LA and the Madison Parish Port, LA are located along an approximately 100-mile-long section of the Mississippi River (the designated M-55 Marine Highway) between McGehee in rural Southeast Arkansas and Tallulah in rural Northeast Louisiana. This section of the Mississippi River between McGehee and Tallulah is also served by a parallel 91.3-mile continuous short line railroad corridor of commerce that interfaces directly with the existing Port of Lake Providence and Madison Parish Port and a yet-to-be constructed rail connection to the separate Port of Yellow Bend near Arkansas City, Arkansas.

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I appreciate the opportunity to share with you the importance of this project to our firm, our states, and our region, and I urge your expeditious approval of SEAEDD's and its partners application for INFRA program funding.

Sincerely,

Amanda Edge

October 13, 2017

The Honorable Elaine Chao
Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington DC 20590

Dear Secretary Chao:

The American Association of Port Authorities (AAPA) is writing to express its strong support for public seaports' applications for the FY 2017 Infrastructure For Rebuilding America (INFRA) Grants. Direct and sustainable multimodal funding for freight infrastructure was AAPA's top priority for the FAST Act.

Founded in 1912, AAPA is the unified and collective voice of the seaport industry in the Americas. AAPA empowers port authorities, maritime industry partners and service providers to serve their global customers and create economic and social value for their communities. Our activities, resources and partnerships connect, inform and unify seaport leaders and maritime professionals in all segments of the industry around the western hemisphere. Our letter today is on behalf of our U.S. members.

Last year, AAPA and the American Association of State Highway Transportation Officials (AASHTO) released the [*State of Freight II – Implementing the FAST Act and Beyond*](#). This timely report highlights the work state DOTs and seaports have engaged in since implementation of the FAST Act to develop and finalize state freight plans, in coordination with state freight advisory committees. For example, the survey found that 71 percent of states have state freight plans that they are actively working to make FAST Act compliant. In addition, 57 percent of states have targeted more than 6,200 freight projects for inclusion in their state freight plans, while 35 percent have identified a combined \$259 billion in costs for their state's freight plan projects.

Ports are integral partners in developing these state freight plans and a national multimodal freight plan. *The State of Freight II* builds off AAPA's 2015 [*State of Freight*](#) report, which identified \$28.9 billion in needed freight landside infrastructure investments by 2025.

American seaports and their private-sector partners annually spend more than \$30 billion collectively in marine terminal capital improvements that help handle freight and cruise passengers more efficiently. INFRA grants will provide ports with needed funding for multimodal projects that support America's transportation system and freight network. States have already begun to submit their state freight plans in anticipation of the December 4 grant application deadline. USDOT should already be seeing port-related projects of regional and national significance that would benefit from INFRA grants to make improvements to America's transportation infrastructure.

The governments of Canada and Mexico are making large investments in their freight transportation systems, including their seaports. Goods imported and exported do not need to go through U.S. ports. If we do not maintain our infrastructure, more freight will flow through neighboring countries. In order to keep these important maritime jobs at home, the U.S. government must make significant investments in seaport infrastructure.

As the Department of Transportation begins to evaluate the applications for the INFRA grants, we strongly urge you to focus on seaports and the last mile freight-related projects, including gateways and corridor projects, to help maintain and expand the maritime infrastructure. These projects support U.S. exports and imports, which are vital to our nation's economy, standard of living and U.S. jobs.

Sincerely,

A handwritten signature in black ink, appearing to read "Kurt J. Nagle", with a long horizontal flourish extending to the right.

Kurt J. Nagle
President and CEO



BUILDING AMERICA®

October 31, 2017

The Honorable Elaine L. Chao
Secretary
U.S. Department of Transportation
1200 New Jersey Ave., SE
Washington, D.C. 20590

Dear Secretary Chao:

On behalf of Union Pacific Railroad, I am writing in support of the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project that the Southeast Arkansas Economic Development District and its partners are requesting in their 2017 INFRA Grant application. This grant will be used to modernize and improve rail infrastructure along an important freight corridor and improve the regional connectivity to three inland waterway ports.

The strategic location of the project provides ready access to the nation's markets via 32,000 miles of Union Pacific track and connectivity to other Class I and short line railroads. Union Pacific has a positive working partnership with the Southeast Arkansas Economic Development District and its partners and looks forward to working with them if they are awarded a 2017 INFRA grant. Furthermore, we look forward to continue working with the parties involved to ensure their rail and roadway improvements plans follow our rail access standards and engineering safety requirements.

Thank you for your consideration and please feel free to contact me if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Brenda Mainwaring", with a long, sweeping flourish extending to the right.

Brenda Mainwaring

Appendix C

Benefit-Cost Analysis Supplementary Documentation



**Benefit-Cost Analysis Supplementary
Documentation**

INFRA Discretionary Grant Program

**Southeast Arkansas and
Northeast Louisiana Multi-
modal Freight Corridor
Improvement Project**

Southeast Arkansas Economic Development
District

February 28, 2019

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Executive Summary

The Southeast Arkansas Economic Development District (SEAEDD), Lake Providence Port Commission (LPPC), the Madison Parish Port Commission (MPPC), Yellow Bend Port, the Delta Southern Railroad (DSR), and the North Louisiana & Arkansas Railroad (NLA) are partnering to re-develop a multimodal freight corridor located along an approximately 100-mile-long section of the Mississippi River (the designated M-55 Marine Highway) between McGehee in rural Southeast Arkansas south to Tallulah in rural Northeast Louisiana. The Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project (the Project) is a unique public-private partnership between a state agency (SEAEDD), three public ports (Yellow Bend Port, Port of Lake Providence, and Madison Parish Port), and two private short line railroads (NLA and DSR) in one of the most severely economically distressed regions of the US. The Project covers two counties in Southeast Arkansas (Desha and Chicot) and two parishes in Northeast Louisiana (East Carroll and Madison).

The purpose of the Southeast Arkansas and Northeast Louisiana Rail and Port Infrastructure Improvements Project (the Project) is to leverage the strength of and recent investment in connecting multimodal transportation facilities in the region and a long-standing public-private partnership and related long-term planning between local public agencies (including three Ports), area railroads, and other regional stakeholders to develop a project with several direct benefits to rural communities through enhancement of existing and construction of new railroad infrastructure on the McGehee-Tallulah Railroad Corridor and at the Ports. These project improvements accruing to a rural region will catalyze greater opportunities for economic development and job creation, greatly enhance access to domestic multimodal transportation and the global marketplace for local industries and shippers, and reduce truck traffic on the area roadway network and related Port congestion through diversion of freight from truck to rail.

The SE Arkansas and NE Louisiana Multi-modal Freight Corridor Project will provide a severely economically distressed region of the country with an immediate impact on regional economic development opportunities by providing the region's producers and shippers with an expanded and more cost-effective manner to transport their goods to regional, national, and international markets. All labor and materials that will be required to complete the project will be locally sourced, allowing for an immediate opportunity to provide jobs.

A Benefit-Cost Analysis (BCA) of the SE Arkansas and NE Louisiana Multi-modal Freight Corridor Project was conducted in conformance with Federal guidance regarding evaluation methods and monetization values recommended by the USDOT in the December 2018 Benefit-Cost Analysis Guidance for Discretionary Grant Programs. A table summarizing the changes expected from the project (and the associated benefits) is provided below.

Table ES-1: Summary of Infrastructure Improvements and Associated Benefits

Current Status or Baseline & Problems to be Addressed	Changes to Baseline / Alternative	Types of Impacts	Population Affected by Impacts	Summary of Results (discounted at 7%)	Page #
Much of McGehee-Tallulah Railroad Corridor had been closed or underutilized for approximately 15 years, but was recently rehabilitated and placed back into continuous service. However, the original lightweight track on the main line and other constraints from the existing legacy track structure and bridges on the Corridor provide impediments to accommodating fully loaded and heavier industry-standard freight cars. The existing operational constraints have an adverse impact on efficiency to existing shippers and prevent rail from being a viable option for many others in the region who have to rely on trucks to move goods to and from market.	Upgrades to rail infrastructure in the McGehee-Tallulah Railroad Corridor and connections to the local Ports will improve railroad connectivity, access, capacity, efficiency, and safety. The improvements will enable more producers and shippers to move goods by rail instead of freight trucks which will improve shipper efficiencies along with other socioeconomic public benefits.	Shipper cost efficiencies from truck to rail diversion	Shippers	\$62,472,452	On Page 19
		Avoided emissions from reduced freight truck movements	Local and State residents and motorists	\$1,023,597	On Page 21
		Improved safety and avoided accident costs from reduced freight truck movements	Local and State residents and motorists	\$26,682,189	On Page 25
		Avoided pavement maintenance costs from reduced freight truck movements	Federal and State governments	\$2,069,589	On Page 28
		Residual value of capital assets	Project sponsors	\$602,178	On Page 29
		Operations & maintenance costs savings	Project sponsors	\$6,913,877	On Page 30
		Avoided road congestion costs from reduced freight truck movements	Local and State residents and motorists	n/a	On Page 30
		Trade flow reliability benefits	Shippers and producers	n/a	On Page 30
		Reduced noise pollution from less truck traffic	Local and State residents	n/a	On Page 30

The period of analysis used in the estimation of benefits and costs corresponds to 35 years, including 5 years of design, engineering and construction and 30 full years of operation. The total future eligible costs consist of \$45 million dollars in capital expenditures and are expected to be financed by Federal, State, and private funds according to the distribution shown in Table ES-2.

Table ES-2: Summary of Project Costs and Anticipated Funding Sources

Owner	Funding Source	Amount	Share
SEAEDD	Public, State – Delta Regional Authority (DRA)	\$150,000	1%
LPPC	Public, State – Port Priority Program	\$8,300,000	43%
Madison Parish Port	Public, State – Port Priority Program	\$10,480,000	54%
NLA	Private – NLA Contribution	\$385,000	2%
	Total State & Private	\$19,315,000	42.9%
	Total Federal INFRA Request	\$25,689,421	57.1%
	Total Future Eligible Project Cost	\$45,004,421	100 %

Tables ES-3, ES-4 and ES-5 provide various summaries of the relevant data and calculations used to derive the benefits and costs of the project. Based on the analysis presented in the rest of this document, the project is expected to generate \$99.7 million in discounted benefits and \$36.9 million in discounted costs, using a 7 percent real discount rate. Therefore, the project is expected to generate a Net Present Value (NPV) of \$62.8 million and a Benefit/Cost Ratio (BCR) of 2.70.

Figure 1: Distribution of Project Lifecycle Benefits and Costs, Discounted at 7%

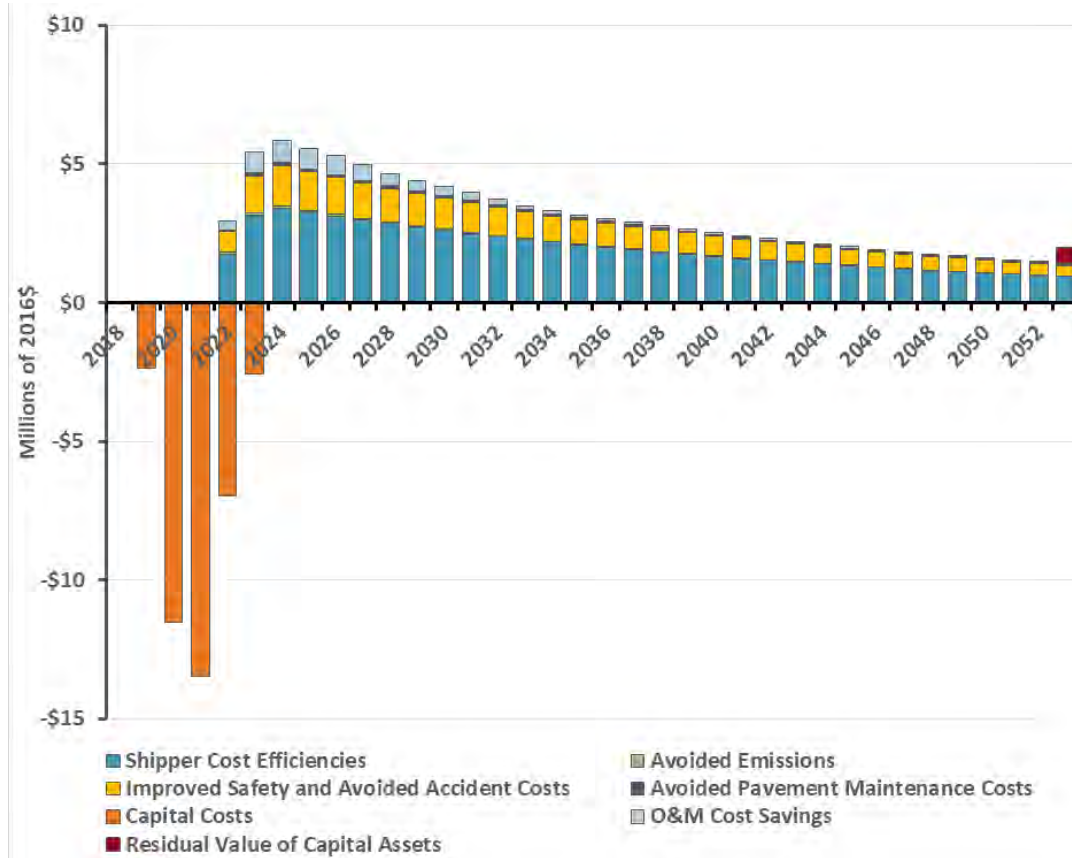


Table ES-3: Summary of Total Project Benefits and Costs

Calendar Year	Project Year	Direct Beneficiaries	Total Benefits (2017\$)	Total Costs (2017\$)	Undiscounted Net Benefits (2017\$)	Discounted Total Benefits at 7%	Discounted Total Costs at 7%	Discounted Net Benefits at 7%
2018	0	Workers otherwise unemployed (shadow wage benefit); not quantified.	\$0	\$0	\$0	\$0	\$0	\$0
2019	1		\$0	-\$2,515,820	-\$2,515,820	\$0	-\$2,351,234	-\$2,351,234
2020	2		\$0	-\$13,203,762	-\$13,203,762	\$0	-\$11,532,677	-\$11,532,677
2021	3		\$0	-\$16,495,332	-\$16,495,332	\$0	-\$13,465,104	-\$13,465,104
2022	4		\$3,892,629	-\$9,155,107	-\$5,262,478	\$2,969,668	-\$6,984,387	-\$4,014,719
2023	5		\$7,623,910	-\$3,634,400	\$3,989,510	\$5,435,742	-\$2,591,277	\$2,844,465
2024	6	Producers and shippers, Federal and State governments, motorists, rail operators and, local residents and businesses.	\$8,799,638	\$0	\$8,799,638	\$5,863,570	\$0	\$5,863,570
2025	7		\$8,935,578	\$0	\$8,935,578	\$5,564,629	\$0	\$5,564,629
2026	8		\$9,110,991	\$0	\$9,110,991	\$5,302,680	\$0	\$5,302,680
2027	9		\$9,113,995	\$0	\$9,113,995	\$4,957,410	\$0	\$4,957,410
2028	10		\$9,095,685	\$0	\$9,095,685	\$4,623,785	\$0	\$4,623,785
2029	11		\$9,260,881	\$0	\$9,260,881	\$4,399,778	\$0	\$4,399,778
2030	12		\$9,450,176	\$0	\$9,450,176	\$4,195,991	\$0	\$4,195,991
2031	13		\$9,639,510	\$0	\$9,639,510	\$4,000,054	\$0	\$4,000,054
2032	14		\$9,661,561	\$0	\$9,661,561	\$3,746,920	\$0	\$3,746,920
2033	15		\$9,637,714	\$0	\$9,637,714	\$3,493,151	\$0	\$3,493,151
2034	16		\$9,793,053	\$0	\$9,793,053	\$3,317,246	\$0	\$3,317,246
2035	17		\$9,997,650	\$0	\$9,997,650	\$3,165,000	\$0	\$3,165,000
2036	18		\$10,229,733	\$0	\$10,229,733	\$3,026,609	\$0	\$3,026,609
2037	19		\$10,462,016	\$0	\$10,462,016	\$2,892,834	\$0	\$2,892,834
2038	20		\$10,704,827	\$0	\$10,704,827	\$2,766,331	\$0	\$2,766,331
2039	21		\$10,948,001	\$0	\$10,948,001	\$2,644,086	\$0	\$2,644,086
2040	22		\$11,200,856	\$0	\$11,200,856	\$2,528,181	\$0	\$2,528,181
2041	23		\$11,452,176	\$0	\$11,452,176	\$2,415,801	\$0	\$2,415,801
2042	24		\$11,709,306	\$0	\$11,709,306	\$2,308,450	\$0	\$2,308,450
2043	25		\$11,972,380	\$0	\$11,972,380	\$2,205,901	\$0	\$2,205,901
2044	26		\$12,241,536	\$0	\$12,241,536	\$2,107,937	\$0	\$2,107,937
2045	27		\$12,516,915	\$0	\$12,516,915	\$2,014,352	\$0	\$2,014,352
2046	28		\$12,799,944	\$0	\$12,799,944	\$1,925,140	\$0	\$1,925,140
2047	29		\$13,089,547	\$0	\$13,089,547	\$1,839,904	\$0	\$1,839,904
2048	30		\$13,385,875	\$0	\$13,385,875	\$1,758,464	\$0	\$1,758,464
2049	31		\$13,689,086	\$0	\$13,689,086	\$1,680,650	\$0	\$1,680,650
2050	32		\$13,999,338	\$0	\$13,999,338	\$1,606,300	\$0	\$1,606,300
2051	33		\$14,316,795	\$0	\$14,316,795	\$1,535,257	\$0	\$1,535,257
2052	34		\$14,641,625	\$0	\$14,641,625	\$1,467,374	\$0	\$1,467,374
2053	35		\$21,403,202	\$0	\$21,403,202	\$2,004,687	\$0	\$2,004,687
Total			\$354,776,131	-\$45,004,421	\$309,771,710	\$99,763,881	-\$36,924,680	\$62,839,202

Table ES-4: Summary of Project Benefits by Benefit Type

Calendar Year	Project Year	Shipper Cost Efficiencies	Avoided Emissions	Improved Safety and Avoided Accident Costs	Avoided Pavement Maintenance Costs	Residual Value of Capital Assets	O&M Cost Savings
2018	0	\$0	\$0	\$0	\$0	\$0	\$0
2019	1	\$0	\$0	\$0	\$0	\$0	\$0
2020	2	\$0	\$0	\$0	\$0	\$0	\$0
2021	3	\$0	\$0	\$0	\$0	\$0	\$0
2022	4	\$2,295,607	\$100,512	\$980,461	\$76,049	\$0	\$440,000
2023	5	\$4,406,742	\$159,047	\$1,882,134	\$145,987	\$0	\$1,030,000
2024	6	\$5,115,702	\$149,531	\$2,184,933	\$169,473	\$0	\$1,180,000
2025	7	\$5,234,509	\$111,984	\$2,235,676	\$173,409	\$0	\$1,180,000
2026	8	\$5,356,075	\$109,882	\$2,287,597	\$177,436	\$0	\$1,180,000
2027	9	\$5,480,465	\$106,249	\$2,340,725	\$181,557	\$0	\$1,005,000
2028	10	\$5,607,744	\$102,082	\$2,395,086	\$185,773	\$0	\$805,000
2029	11	\$5,737,978	\$102,106	\$2,450,709	\$190,088	\$0	\$780,000
2030	12	\$5,871,237	\$96,812	\$2,507,625	\$194,502	\$0	\$780,000
2031	13	\$6,007,591	\$87,038	\$2,565,862	\$199,020	\$0	\$780,000
2032	14	\$6,147,112	\$80,356	\$2,625,452	\$203,642	\$0	\$605,000
2033	15	\$6,289,873	\$73,045	\$2,686,425	\$208,371	\$0	\$380,000
2034	16	\$6,435,949	\$65,079	\$2,748,815	\$213,210	\$0	\$330,000
2035	17	\$6,585,418	\$51,417	\$2,812,653	\$218,162	\$0	\$330,000
2036	18	\$6,738,358	\$60,172	\$2,877,975	\$223,228	\$0	\$330,000
2037	19	\$6,894,850	\$63,940	\$2,944,813	\$228,413	\$0	\$330,000
2038	20	\$7,054,976	\$72,930	\$3,013,203	\$233,717	\$0	\$330,000
2039	21	\$7,218,821	\$76,852	\$3,083,182	\$239,145	\$0	\$330,000
2040	22	\$7,386,471	\$84,899	\$3,154,786	\$244,699	\$0	\$330,000
2041	23	\$7,558,015	\$85,726	\$3,228,053	\$250,382	\$0	\$330,000
2042	24	\$7,733,543	\$86,545	\$3,303,021	\$256,197	\$0	\$330,000
2043	25	\$7,913,147	\$87,355	\$3,379,731	\$262,147	\$0	\$330,000
2044	26	\$8,096,922	\$88,157	\$3,458,222	\$268,235	\$0	\$330,000
2045	27	\$8,284,966	\$88,949	\$3,538,536	\$274,465	\$0	\$330,000
2046	28	\$8,477,376	\$91,014	\$3,620,715	\$280,839	\$0	\$330,000
2047	29	\$8,674,255	\$93,128	\$3,704,803	\$287,361	\$0	\$330,000
2048	30	\$8,875,707	\$95,291	\$3,790,843	\$294,035	\$0	\$330,000
2049	31	\$9,081,836	\$97,504	\$3,878,882	\$300,863	\$0	\$330,000
2050	32	\$9,292,753	\$99,768	\$3,968,965	\$307,851	\$0	\$330,000
2051	33	\$9,508,569	\$102,085	\$4,061,141	\$315,000	\$0	\$330,000
2052	34	\$9,729,396	\$104,456	\$4,155,457	\$322,316	\$0	\$330,000
2053	35	\$9,955,352	\$106,882	\$4,251,964	\$329,801	\$6,429,203	\$330,000
Total		\$225,047,317	\$2,980,793	\$96,118,445	\$7,455,373	\$6,429,203	\$16,745,000

Table ES-5: Summary of Pertinent Quantifiable Data

Calendar Year	Project Year	Freight Ton-miles Diverted from Truck to Rail	Truck-miles Diverted from Public Roads to Rail	Avoided Fatalities	Avoided Injuries
2018	0	0	0	0.00	0.00
2019	1	0	0	0.00	0.00
2020	2	0	0	0.00	0.00
2021	3	0	0	0.00	0.00
2022	4	23,584,625	943,385	0.05	1.24
2023	5	45,274,021	1,810,961	0.10	2.37
2024	6	52,557,731	2,102,309	0.11	2.75
2025	7	53,778,334	2,151,133	0.11	2.82
2026	8	55,027,285	2,201,091	0.12	2.88
2027	9	56,305,242	2,252,210	0.12	2.95
2028	10	57,612,877	2,304,515	0.12	3.02
2029	11	58,950,882	2,358,035	0.12	3.09
2030	12	60,319,960	2,412,798	0.13	3.16
2031	13	61,720,834	2,468,833	0.13	3.23
2032	14	63,154,241	2,526,170	0.13	3.31
2033	15	64,620,939	2,584,838	0.14	3.39
2034	16	66,121,698	2,644,868	0.14	3.46
2035	17	67,657,312	2,706,292	0.14	3.54
2036	18	69,228,589	2,769,144	0.15	3.63
2037	19	70,836,357	2,833,454	0.15	3.71
2038	20	72,481,464	2,899,259	0.15	3.80
2039	21	74,164,777	2,966,591	0.16	3.89
2040	22	75,887,184	3,035,487	0.16	3.98
2041	23	77,649,591	3,105,984	0.16	4.07
2042	24	79,452,929	3,178,117	0.17	4.16
2043	25	81,298,148	3,251,926	0.17	4.26
2044	26	83,186,220	3,327,449	0.18	4.36
2045	27	85,118,141	3,404,726	0.18	4.46
2046	28	87,094,929	3,483,797	0.18	4.56
2047	29	89,117,626	3,564,705	0.19	4.67
2048	30	91,187,298	3,647,492	0.19	4.78
2049	31	93,305,037	3,732,201	0.20	4.89
2050	32	95,471,958	3,818,878	0.20	5.00
2051	33	97,689,203	3,907,568	0.21	5.12
2052	34	99,957,942	3,998,318	0.21	5.24
2053	35	102,279,370	4,091,175	0.22	5.36
Total		2,312,092,748	92,483,710	4.90	121

In addition to the monetized benefits presented in Tables ES-3 to ES-5, the project would generate benefits that are difficult to quantify, including

- ***Reduced Road Congestion***

Fewer freight trucks on Interstate Highways and local roads would help alleviate traffic congestion. This impact is not monetized as a detailed traffic study has not been conducted to assess the impact of the project.

- ***Trade Flow Reliability***

The requested improvements to the rail would provide an alternate method for the shipment of goods along the corridor in the event of flooding or other disruptions on the Mississippi river and provide minimal delays to goods moving East and West along the Union Pacific and Kansas City Southern Class 1 rails.

- ***Reduced Noise Pollution***

Studies have indicated that diverting truck freight from public roads to rail reduces noise pollution and benefits a wide range of stakeholders along the transportation corridors.

1 Introduction

This document provides detailed technical information on the economic analyses conducted in support of the USDOT INFRA Grant Application for the Southeast Arkansas and Northeast Louisiana Multi-modal Freight Corridor Improvement Project.

Section 2, Methodological Framework, introduces the conceptual framework used in the Benefit-Cost Analysis (BCA). Section 3, Project Overview, provides an overview of the project, including a brief description of existing conditions and proposed alternatives; a summary of cost estimates and schedule; and a description of the types of effects that the Project is expected to generate. Section 4, General Assumptions, discusses the general assumptions used in the estimation of project costs and benefits, while estimates of travel demand and traffic volumes can be found in Section 5, Demand Projections. Specific data elements and assumptions pertaining to the “Support for National or Regional Economic Vitality” merit criteria are presented in Section 6, Benefits Measurement, Data, and Assumptions, along with associated benefit estimates. Estimates of the project’s NPV, its BCR and other project evaluation metrics are introduced in Section 7, Summary of Findings and Benefit-Cost Outcomes. Next, Section 8, Benefit Cost Analysis Sensitivity, provides the outcomes of the sensitivity analysis. Additional data tables are provided in Section 9, Supplementary Data Tables including annual estimates of benefits and costs, as well as intermediate values to assist USDOT in its review of the application.

2 Methodological Framework

Benefit-Cost Analysis (BCA) is a conceptual framework that quantifies in monetary terms as many of the costs and benefits of a project as possible. Benefits are broadly defined. They represent the extent to which people impacted by the project are made better off, as measured by their own willingness-to-pay. In other words, central to BCA is the idea that people are best able to judge what is “good” for them, what improves their well-being or welfare.

BCA also adopts the view that a net increase in welfare (as measured by the summation of individual welfare changes) is a good thing, even if some groups within society are made worse-off. A project or proposal would be rated positively if the benefits to some are large enough to compensate the losses of others.

Finally, BCA is typically a forward-looking exercise, seeking to anticipate the welfare impacts of a project or proposal over its entire life cycle. Future welfare changes are weighted against today’s changes through discounting, which is meant to reflect society’s general preference for the present, as well as broader inter-generational concerns.

The specific methodology developed for this application was developed using the above BCA principles and is consistent with the USDOT INFRA guidelines (December 2018). In particular, the methodology involves:

- Establishing existing and future conditions under the Base Case (No-Build) and Alternative Case (Build) scenarios;
- Assessing benefits with respect to each of the five long-term outcomes identified in the INFRA Notice of Funding Opportunity (NOFO);
- Measuring benefits in dollar terms, whenever possible, and expressing benefits and costs in a common unit of measurement;
- Using USDOT guidance for the valuation of travel time savings, safety benefits and reductions in air emissions, while relying on industry best practice for the valuation of other effects;
- Discounting future benefits and costs with the real discount rates recommended by the USDOT (7 percent) , as well as a 3 percent discount rate as a sensitivity; and,
- Conducting a sensitivity analysis to assess the impacts of changes in key estimating assumptions.

3 Project Overview

The Southeast Arkansas Economic Development District (SEAEDD), Lake Providence Port Commission (LPPC), the Madison Parish Port Commission (MPPC), Yellow Bend Port, the Delta Southern Railroad (DSR), and the North Louisiana & Arkansas Railroad (NLA) are partnering to re-develop a multimodal freight corridor located along an approximately 100-mile-long section of the Mississippi River (the designated M-55 Marine Highway) between McGehee in rural Southeast Arkansas south to Tallulah in rural Northeast Louisiana (Figure 2). The Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project (the Project) is a unique public-private partnership between a state agency (SEAEDD), three public ports (Yellow Bend Port, Port of Lake Providence, and Madison Parish Port), and two private short line railroads (NLA and DSR) in one of the most severely economically distressed regions of the US. The Project covers two counties in Southeast Arkansas (Desha and Chicot) and two parishes in Northeast Louisiana (East Carroll and Madison).

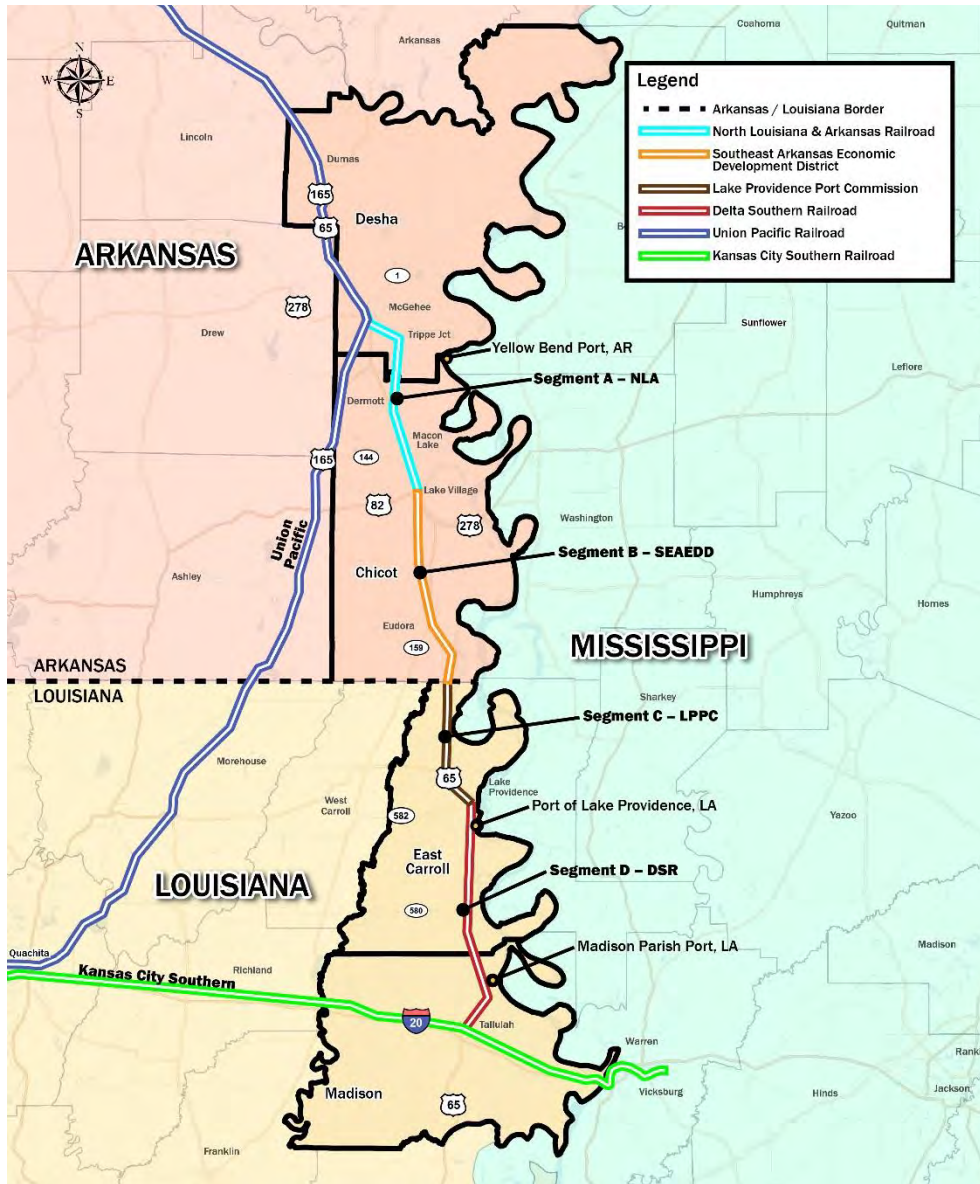
The Port of Lake Providence facility is Louisiana's largest inland port. It ships over 1.3 million tons of freight annually, and is located near Lake Providence, Louisiana, in East Carroll Parish. The Madison Parish Port facility ships approximately 750,000 tons of freight annually and is located 6 miles north of Tallulah, Louisiana. The Ports are located in an agricultural section of Northeast Louisiana and primarily serve the area farmers by providing storage and shipping solutions for grain and fertilizer. In addition to agricultural products, the ports handle aggregates, building materials, and other commodities for shippers and receivers, including steel.

This section of the Mississippi River between McGehee and Tallulah is also served by a parallel 91.3-mile continuous short line railroad corridor of commerce. The McGehee-Tallulah Railroad Corridor interfaces directly with the existing Port of Lake Providence and Madison Parish Port (and a yet-to-be constructed rail connection to the separate Port of Yellow Bend near Arkansas City, Arkansas); several local railroad shippers; and three other railroads with local, regional, national, and international connections.

Much of the McGehee-Tallulah Railroad Corridor had been closed or underutilized for approximately 15 years, but was recently rehabilitated and placed back into continuous service in 2016. However, most of the track on the main line is comprised of the original lightweight rail of 85 pounds / yard. This condition and other constraints from the existing legacy track structure and bridges on the Corridor provide impediments to accommodating loaded freight cars with a maximum allowable gross weight of 286,000 lbs., which is the current and heavier industry standard for freight transportation by rail.

In terms of area roadway connections for supporting truck transportation in Southeast Arkansas and Northeast Louisiana, U.S. Highway 65 closely parallels the McGehee-Tallulah Railroad Corridor, and Interstate 20, a segment of an important east-west transcontinental interstate highway and trade route, runs through Tallulah.

Figure 2: Project Map



The three ports and the two connecting short line railroads provide a complimentary range of services to the region's shippers - the Lake Providence Port is a high-capacity agricultural niche port, the Madison Parish Port is the region's largest chemical niche port, and the Yellow Bend Port is one the region's largest handlers of wood chips and pellets. This specialization of the ports leads to very little competition between them and allows the partnering short line railroads an opportunity to provide cost-competitive common carrier service to a number of different industries. The improved rail infrastructure will allow for the handling of an even larger variety of commodity types by the railroads and ports.

3.1 Base Case and Alternative Case

The **Base Case** for the Southeast Arkansas and Northeast Louisiana Multi-modal Freight Corridor Improvement Project is defined as the No-Build scenario. In the Base Case, there are no improvements to the existing track in the project corridor and no infrastructure to connect new shippers to the rail network. Rail operations continue to be more costly and less efficient for existing shippers, track maintenance costs remain high, and several shippers in the region rely on trucks to move goods to and from the market.

Some key assumptions used to define the Base Case include:

- Overall freight volume to and from the region grows at a weighted average rate of **2.3 percent** per year
- Many local producers and shippers have to move goods by truck over an average haul distance of **86 miles** in absence of rail capacity
 - Haul distances based on actual shipper origin/destination pairs and weighted based on the tonnage of commodities and products shipped
 - Assumed that only moves shorter than 500 miles go purely by truck; longer haul moves are hauled an average of **27 miles** to nearby transload facilities
- Rail traffic on the existing line continues to be less efficient and more costly to operate and maintain

The **Alternative Case** is defined as the Build scenario. In the Alternative Case, infrastructure improvements are implemented in the Project corridor which generate substantial public benefits. Some of these improvements and associated benefits include:

- Enhanced railroad transportation operating capacity, efficiency, and safety by upgrading the McGehee-Tallulah Railroad Corridor and connecting branch lines to the Port of Lake Providence and Madison Parish Port to Federal Railroad Administration (FRA) Class 2 Track allowing for train operations up to 25 miles per hour and elimination of any existing weight restrictions on bridges that would preclude accommodation of loaded freight cars with a maximum allowable gross weight of 286,000 lbs. This condition will result from improvements to the existing track structure where required, generally including installation of rail of 115 pounds per yard on the main track, replacement of 75 percent of crossties on the main line, and placement of 1,200 tons of stone ballast per mile.
- Enhanced railroad connectivity on the McGehee-Tallulah Railroad Corridor through development of a more direct and efficient interchange of railcars between the North Louisiana & Arkansas and the Union Pacific Railroad in McGehee, Arkansas, and between NLA and DSR at the Port of Lake Providence facility via a new interchange track that can accommodate carload and unit train interchange between the two short lines.
- Improved rail access and capacity at the Port of Lake Providence via a rail extension to its southern property line and to Madison Parish Port via an additional extension to some existing tracks and development of a new siding.
- Enriched capacity, efficiency, and safety of railroad switching and service operations via the rehabilitation of all current rail sidings on the McGehee-Tallulah Railroad Corridor.

- Improved safety at roadway/railroad grade crossings on the McGehee-Tallulah Railroad Corridor via the upgrade of grade crossing surfaces, signal infrastructure, and signage at select locations, including those interfaces between the railroad and heavily trafficked U.S. Highway 65. Previous analysis determined that there were 32 grade crossings in the Corridor likely in need of upgrades, including: U.S. Highways; State Highways; Parish Roads; Public Roads; and Private Roads.

Some key assumptions used to define the Alternative Case include:

- Overall freight volume to and from the region grows at a weighted average rate of **2.3 percent** per year (same as Base Case)
- Project-related investments including new track and other infrastructure enable new shipments directly by rail, allowing shippers to avoid the average truck haul distance of **93 miles**, and instead move goods over the same distance by rail.
- For the purposes of the BCA, no freight is hauled by truck since only divertible shipper volumes are considered in the analysis
- New track greatly improves local operational efficiencies resulting in permanent operating benefits, and reduces the maintenance costs for the first 10 years of operations.

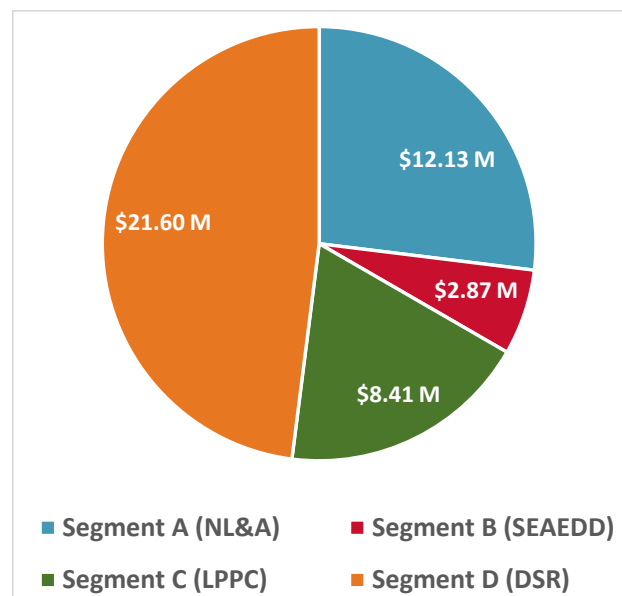
These project improvements accruing to a rural region will catalyze greater opportunities for economic development and job creation, greatly enhance access to domestic multimodal transportation and the global marketplace for local industries and shippers, and reduce truck traffic on the area roadway network and related Port congestion through diversion of freight from truck to rail.

3.2 Project Cost and Schedule

The Southeast Arkansas and Northeast Louisiana Multi-modal Freight Corridor Improvement Project is a true public-private partnership, with State and private contributions representing 43.76 percent of the total funds needed. The \$25.3 million request for INFRA funds would provide the remaining project funding and help leverage existing investments in the Project corridor. Figure 3 summarizes the uses of project capital expenditure funds, broken down by the project's major components.

The capital costs would be incurred starting in 2019 through project completion in 2023. Some incremental operational and maintenance cost savings would begin to accrue as different segments of the project are constructed, and while incremental maintenance

Figure 3: Uses of Project Funds (2017\$)



impacts would level off in future years, operational savings are a permanent benefit to the project. Approximately 47% of the shipper volumes would become accessible by 2022, 89% by 2023, and all 100% of divertible shipper volumes by 2024 when all construction is complete and the first full year of benefits is accrued.

Table 1: Cost Summary Table

Capital Costs	2019	2020	2021	2022	2023	Total
Segment A (NL&A)	\$1.97 M	\$4.88 M	\$5.29 M	-	-	\$12.13 M
Segment B (SEAEDD)	-	\$1.42 M	\$1.45 M	-	-	\$2.87 M
Segment C (LPPC)	\$0.55 M	\$2.20 M	\$3.77 M	\$1.89 M	-	\$8.41 M
Segment D (DSR)	-	\$4.71 M	\$5.99 M	\$7.27 M	\$3.63 M	\$21.60 M
Total Capital Costs	\$2.52 M	\$13.20 M	\$16.50 M	\$9.16 M	\$3.63 M	\$45.00 M

3.3 Impacts to National and Regional Economic Vitality

The main benefit categories associated with the project are mapped into categories in line with the “Support for National and Regional Economic Vitality” merit criteria.

Table 2: Expected Effects on Benefit Categories

Merit Criteria	Description	Monetized	Qualitative
Support for National or Regional Economic Vitality	Shipper cost efficiencies from truck to rail diversion	Yes	-
	Avoided emissions from reduced freight truck movements	Yes	-
	Improved safety and avoided accident costs from reduced freight truck movements	Yes	-
	Avoided pavement maintenance costs from reduced freight truck movements	Yes	-
	Residual value of capital assets	Yes	-
	Operations & maintenance costs savings	Yes	-
	Avoided road congestion costs from reduced freight truck movements	-	Yes
	Trade flow reliability benefits	-	Yes
	Reduced noise pollution from less truck traffic	-	Yes

4 General Assumptions

The BCA measures benefits against costs throughout a period of analysis beginning at the start of construction and including 30 full years of operations.

The monetized benefits and costs are estimated in 2017 dollars with future dollars discounted in compliance with USDOT INFRA requirements using a 7 percent real rate, and sensitivity testing at 3 percent.

The methodology makes several important assumptions and seeks to avoid overestimation of benefits and underestimation of costs. Specifically:

- Input prices are expressed in 2017 dollars;
- The period of analysis begins in 2018 and ends in 2053. It includes project development and construction years (2019 – 2023 including some initial operations in 2022 and 2023) and 30 full years of operations (2024 - 2053); and,
- A constant 7 percent real discount rate is assumed throughout the period of analysis. A 3 percent real discount rate is used for sensitivity analysis.

5 Demand Projections

Accurate demand projections are important to ensure the reasonable BCA output results. The magnitudes of the long-term benefits accruing over the Southeast Arkansas and Northeast Louisiana Multi-modal Freight Corridor Improvement Project study period are a function of incremental volumes of freight that can be handled by rail in lieu of trucks, and the demand growth for freight movements to and from the region.

5.1 Methodology

The demand for freight movements and the associated truck (Base Case) and train (Alternative Case) volumes were derived from a detailed assessment of local producers, shippers, and the goods being moved to and from the region. Shipper data for the BCA was derived from interviews and past studies conducted by the local Ports, NLA, and DSR. Some of the specific data collected for shippers included:

- Estimate of truckloads per year required to ship all products
- Estimate of rail carload-equivalents required to ship all freight by train
- Origin and destination pairs of goods being shipped and the associated distance of haul
- Shipping costs by truck and carload

While some shippers suggested they would haul goods by truck over long distances, it was determined that beyond a distance of approximately 500 miles, it becomes more economical to truck goods to a transload facility and ship the remainder of the distance by rail. Given that the average distance to the nearest transload facilities for shippers in the project vicinity was assessed at 27 miles, it was assumed that only origins/destinations within 500 miles would be trucked directly to market. For any movements over longer distances would instead be trucked 27 miles, and moved by rail from there. Given that the remainder of the haul would be by rail and equivalent in the Base and Alternative Cases, only the trucked component is considered for analysis.

A detailed analysis of the U.S. Federal Highway Administration's (FHWA) Freight Analysis Framework (FAF4) forecasts for specific commodities and origin-destination pairs was used to generate a long-term freight movement growth rate.

The diversion of trucks to rail is a key driver of public value for the Project, so freight demand forecasts and modal diversion estimates were derived from shipper consultations and market analysis. Several assumptions were made as part of the analysis, with some of the key ones stipulating that:

- All volumes considered for analysis cannot currently be moved by rail and would have to be moved by truck as the next-best alternative
- New infrastructure proposed under the Alternative Case would allow all identified shippers to move all freight by rail

5.2 Assumptions

All assumptions used in the estimation of demand inputs for the Southeast Arkansas and Northeast Louisiana Multi-modal Freight Corridor Improvement Project are provided in Table 3.

Table 3: Assumptions used in the Estimation of Demand

Forecast Output	Build Case - Rail	No Build Case - Trucks
Tons of freight	533,925	533,925
Weighted avg. growth /yr	2.32%	2.32%
Shipments (carloads/trucks)	21,297	5,444
Avg. freight per railcar/truck	25	98
Avg. carloads per train	-	100
Total average origin/destination haul distance	738 mi	738 mi
Average distance to the nearest transload facility	27 mi	27 mi
Average haul distance for diversion calculations	86 mi	93 mi
Shipping rate (\$/ton-mile)	\$0.0929	\$0.0819
Shipping rate (\$/shipment)	\$1,675	\$5,893

5.3 Demand Projections

The resulting projections for average freight movements and modal diversion outcomes are presented in the table below. Further details are available in Section 9, and the accompanying BCA spreadsheet model.

Table 4: Demand Projections

Forecast Output	2018	2024	2038	2053
No build case				
Tons of freight	533,925	612,780	845,075	1,192,494
Railcars per year	0	0	0	0
Trains per year	0	0	0	0
Trucks per year	21,297	24,442	33,708	47,566
Train ton-miles per year	0	0	0	0
Truck ton-miles per year	45,794,379	52,557,731	72,481,464	102,279,370
Build case				
Tons of freight	533,925	612,780	845,075	1,192,494
Railcars per year	0	6,248	8,617	12,159
Trains per year	0	62	86	122
Trucks per year	21,297	0	0	0
Train ton-miles per year	0	56,786,733	78,313,608	110,509,171
Truck ton-miles per year	45,794,379	0	0	0
Incremental impacts				
Tons of freight	0	0	0	0
Railcars per year	0	6,248	8,617	12,159
Trains per year	0	62	86	122
Trucks per year	0	-24,442	-33,708	-47,566
Train ton-miles per year	0	56,786,733	78,313,608	110,509,171
Truck ton-miles per year	0	-52,557,731	-72,481,464	-102,279,370

6 Benefits Measurement, Data, and Assumptions

This section describes the measurement approach used for each benefit or impact category identified in Table 2 and provides an overview of the associated methodology, assumptions, and estimates.

6.1 Support for National and Regional Economic Vitality

The Southeast Arkansas and Northeast Louisiana Multi-modal Freight Corridor Improvement Project is expected to generate substantial benefits in line with the “Support for National and Regional Economic Vitality” merit criteria, where the specific benefits are described below.

6.1.1 Shipper Cost Efficiencies

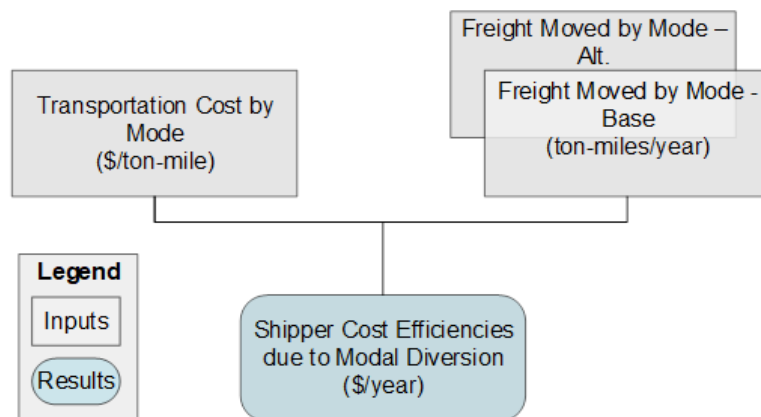
The proposed project would generate shipper cost efficiencies from modal diversion. As rail is generally more efficient in transporting goods across larger distances, the diversion to rail would increase the efficiency of delivering goods and thereby reduce the costs of doing business.

Demand for such services were determined through various interviews with current shipper who transport their goods by truck. It was indicated that the main reason that these shippers transport their goods by trucks was due to a lack of proper rail infrastructure. It should be noted that all the volumes used in this study are based upon current shippers and do not include any induced demand.

6.1.1.1 METHODOLOGY

Increasing rail capacity and freight throughput under the Alternative Case will enable current shippers to move more freight on rail at lower rates compared to truck alternatives when moving goods to market. The increased efficiency and reduced cost of doing business for shippers was estimated using recent average market rates for rail and truck shipments, multiplied by the volumes that would have otherwise continue to ship by truck in the Base Case and the average distance over which they are shipped. The impact on shipper cost efficiencies are demonstrated in Figure 4. Costs of trucking freight in the Base Case include cost of haul to market, as well as additional fees for empty return since these trucks are unlikely to be loaded with freight for return to origin.

Figure 4: Shipper Cost Efficiencies from Modal Diversion



6.1.1.2 ASSUMPTIONS

The assumptions used in the estimation of shipper cost efficiencies are summarized in the table below.

Table 5: Assumptions used in the Estimation of Shipper Cost Efficiency

Variable Name	Unit	Value	Source
Average Freight per Truck	tons/truck	25	Based on shipper data for types of commodities and industry averages. Assuming 25 tons per truck in line with maximum Interstate Highway load limits.
Average Freight per Train	tons/train	9,816	
Average truck shipping rate	\$/ton-mile	\$0.09	Regional rail rates based on shipper info, input from Delta Southern Railroad. Values inflated to 2017\$
Average cost for empty truck return trip	\$/truck mile	\$2.32	Calculated based on shipper data and spot truck rates from DAT Solutions - Industry Trends - Spot Van Truck Rates for the South Central and South Eastern regions. Values inflated to 2017\$.
Average train shipping rate	\$/ton-mile	\$0.08	Regional rail rates based on shipper info, input from Delta Southern Railroad. Values inflated to 2017\$

6.1.1.3 BENEFIT ESTIMATES

Table 6 provides the monetized benefit estimates of shipper cost efficiencies. With a 7 percent discount rate applied, the estimated present value over the projected 30 year benefit period is \$62.5 million dollars. See Sections 9.4 – 9.5 for additional information.

Table 6: Estimates of Shipper Cost Efficiencies

Values in 2017\$	In Project Opening Year	Over the Project Lifecycle	
		In Constant Dollars	Discounted at 7%
Shipper Cost Efficiencies	\$2,295,607	\$225,047,317	\$62,472,452
Total	\$2,295,607	\$225,047,317	\$62,472,452

6.1.2 Environmental Benefits

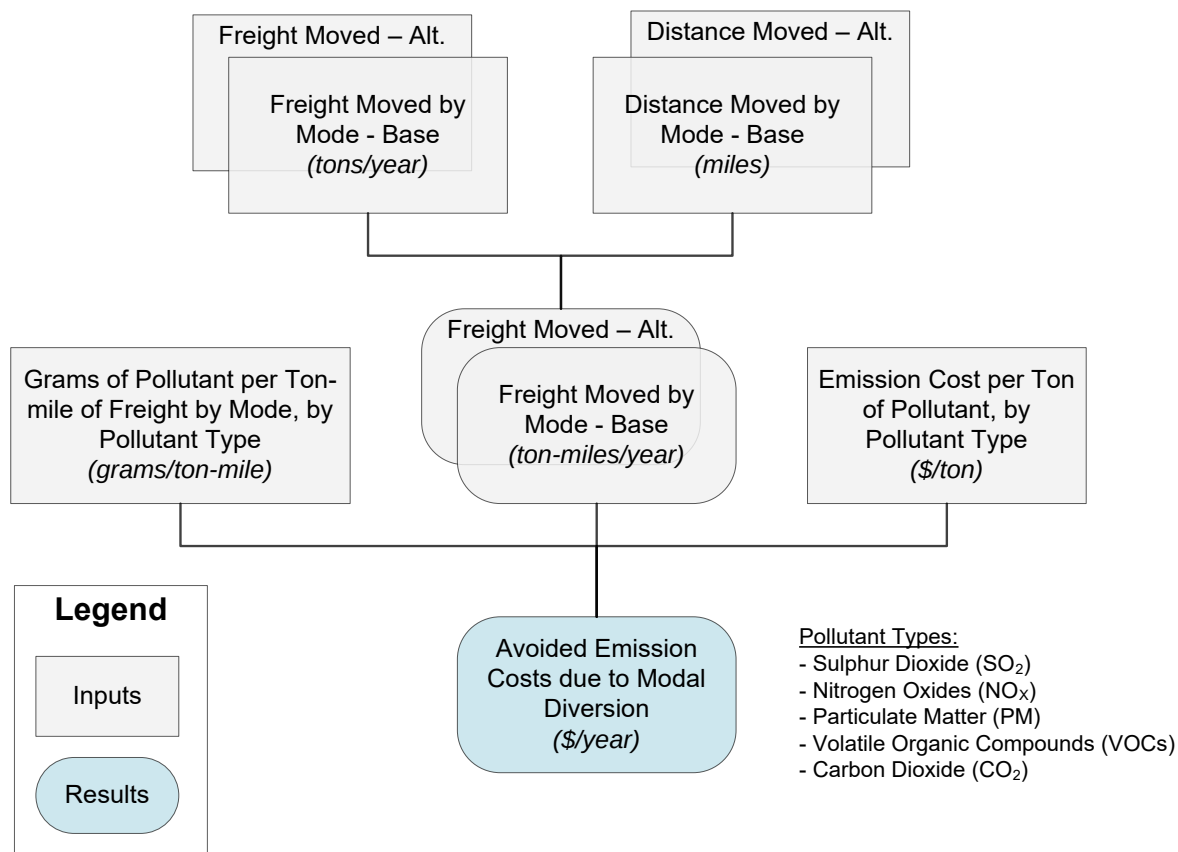
The proposed project would contribute to environmental sustainability through a net reduction in emissions due to reduced freight truck movements and reduced vehicle delay time at several rail crossings. Environmental costs are increasingly considered as an important component in the evaluation of transportation projects and the main environmental impacts of vehicle use and exhaust emissions can impose wide-ranging social costs on people, material, and vegetation. The negative effects of pollution depend not only on the quantity of pollution produced, but also on the types of pollutants emitted and the conditions into which the pollution is released.

6.1.2.1 METHODOLOGY

The environmental cost reduction for reduced truck movements is calculated by subtracting the cost of pollution produced by the increase in freight movements by rail from the cost of pollution prevented by reducing truck hauls. Air emission externalities are included in the calculations and are estimated in monetized costs per ton-mile for specific emission rates based on each pollutant.

Figure 5 below demonstrates the methodology used to estimate emission cost impacts for trucks and trains. Using forecasts of new rail capacity that will displace movements of the same freight by trucks, the change in emission costs from the reduction in the annual production of NO_x, VOC, PM, SO₂, and CO₂ were calculated.

Figure 5: Avoided Emission Costs due to Modal Diversion



6.1.2.2 ASSUMPTIONS

The assumptions used in the estimation of environmental benefits are summarized in the table below.

Table 7: Assumptions used in the Estimation of Environmental Benefits – Trucks

Emissions per Gallon of Fuel Burned - Long-haul Freight Trucks (grams/ton-mile)						Source/Comment
Year	NOx	VOC	PM2.5	SO2	CO2	
2018	0.3543	0.0177	0.0204	0.0009	102.5	Assuming combination Long-haul trucks with an average speed of 27.5 - 32.5mph, 6.3mpg fuel efficiency, and 130 ton-miles per gallon. Model run in June 2018.
2019	0.3272	0.0162	0.0186	0.0009	101.9	
2020	0.3002	0.0148	0.0168	0.0009	101.4	
2021	0.2731	0.0133	0.0151	0.0009	100.8	
2022	0.2460	0.0119	0.0133	0.0008	100.2	
2023	0.2190	0.0104	0.0115	0.0008	99.6	
2024	0.1919	0.0090	0.0097	0.0008	99.0	
2025	0.1649	0.0075	0.0079	0.0008	98.4	
2026	0.1565	0.0071	0.0074	0.0008	98.2	
2027	0.1481	0.0066	0.0068	0.0008	97.9	
2028	0.1397	0.0061	0.0063	0.0008	97.7	
2029	0.1314	0.0057	0.0057	0.0008	97.4	
2030	0.1230	0.0052	0.0052	0.0008	97.2	
2031	0.1146	0.0047	0.0046	0.0008	97.0	
2032	0.1062	0.0043	0.0041	0.0008	96.7	
2033	0.0979	0.0038	0.0035	0.0008	96.5	
2034	0.0895	0.0033	0.0030	0.0008	96.2	
2035	0.0811	0.0029	0.0024	0.0008	96.0	
2036	0.0806	0.0029	0.0024	0.0008	96.0	
2037	0.0801	0.0028	0.0024	0.0008	95.9	
2038	0.0796	0.0028	0.0023	0.0008	95.9	
2039	0.0791	0.0028	0.0023	0.0008	95.9	
2040	0.0786	0.0028	0.0023	0.0008	95.8	
2041	0.0781	0.0027	0.0023	0.0008	95.8	
2042	0.0777	0.0027	0.0022	0.0008	95.8	
2043	0.0772	0.0027	0.0022	0.0008	95.7	
2044	0.0767	0.0027	0.0022	0.0008	95.7	
2045	0.0762	0.0027	0.0022	0.0008	95.7	
2046	0.0762	0.0027	0.0022	0.0008	95.7	
2047	0.0762	0.0027	0.0022	0.0008	95.7	
2048	0.0762	0.0027	0.0022	0.0008	95.7	
2049	0.0762	0.0027	0.0022	0.0008	95.7	
2050	0.0762	0.0027	0.0022	0.0008	95.7	
2051	0.0762	0.0027	0.0022	0.0008	95.7	
2052	0.0762	0.0027	0.0022	0.0008	95.7	
2053	0.0762	0.0027	0.0022	0.0008	95.7	

Table 8: Assumptions used in the Estimation of Environmental Benefits – Locomotives

Emissions per Gallon of Fuel Burned - Line Haul Locomotives (grams/ton-mile)						Source/Comment
Year	NOx	VOC	PM2.5	SO2	CO2	
2018	0.2361	0.0097	0.0057	0.0041	22.34	United States Environmental Protection Agency, Office of Transportation and Air Quality, "Emission Factors for Locomotives", EPA-420-F-09-025, April 2009.
2019	0.2219	0.0088	0.0052	0.0040	22.01	
2020	0.2101	0.0080	0.0047	0.0040	21.68	
2021	0.1966	0.0075	0.0045	0.0039	21.36	
2022	0.1833	0.0069	0.0040	0.0039	21.05	
2023	0.1705	0.0064	0.0037	0.0038	20.74	
2024	0.1580	0.0059	0.0033	0.0038	20.43	
2025	0.1458	0.0054	0.0031	0.0037	20.13	
2026	0.1339	0.0051	0.0028	0.0036	19.83	
2027	0.1243	0.0046	0.0026	0.0036	19.54	
2028	0.1149	0.0042	0.0024	0.0035	19.25	
2029	0.1058	0.0039	0.0020	0.0035	18.96	
2030	0.0969	0.0037	0.0018	0.0034	18.68	
2031	0.0883	0.0032	0.0017	0.0034	18.41	
2032	0.0817	0.0030	0.0015	0.0033	18.14	
2033	0.0752	0.0028	0.0014	0.0033	17.87	
2034	0.0689	0.0025	0.0012	0.0032	17.60	
2035	0.0628	0.0023	0.0012	0.0032	17.34	
2036	0.0585	0.0021	0.0010	0.0031	17.09	
2037	0.0544	0.0021	0.0010	0.0031	16.84	
2038	0.0503	0.0019	0.0008	0.0031	16.59	
2039	0.0464	0.0019	0.0008	0.0030	16.34	
2040	0.0441	0.0017	0.0006	0.0030	16.10	
2041	0.0441	0.0017	0.0006	0.0030	16.10	
2042	0.0441	0.0017	0.0006	0.0030	16.10	
2043	0.0441	0.0017	0.0006	0.0030	16.10	
2044	0.0441	0.0017	0.0006	0.0030	16.10	
2045	0.0441	0.0017	0.0006	0.0030	16.10	
2046	0.0441	0.0017	0.0006	0.0030	16.10	
2047	0.0441	0.0017	0.0006	0.0030	16.10	
2048	0.0441	0.0017	0.0006	0.0030	16.10	
2049	0.0441	0.0017	0.0006	0.0030	16.10	
2050	0.0441	0.0017	0.0006	0.0030	16.10	
2051	0.0441	0.0017	0.0006	0.0030	16.10	
2052	0.0441	0.0017	0.0006	0.0030	16.10	
2053	0.0441	0.0017	0.0006	0.0030	16.10	

Table 9: Assumptions used in the Estimation of Environmental Benefits – Emission Values

Pollutant	Units	Year	Value	Source/Comment
Carbon Dioxide (CO ₂)	\$/short ton	2018	\$0.91	US DOT, BCA Guidance December 2018; The Safer Affordable Fuel-Efficient (SAFE) Vehicles Rule for Model Years 2021-2026 Passenger Cars and Light Trucks (July 2018)
		2019	\$0.91	
		2020	\$0.91	
		2021	\$0.91	
		2022	\$0.91	
		2023	\$0.91	
		2024	\$0.91	
		2025	\$0.91	
		2026	\$0.91	
		2027	\$0.91	
		2028	\$0.91	
		2029	\$0.91	
		2030	\$0.91	
		2031	\$1.09	
		2032	\$1.27	
		2033	\$1.45	
		2034	\$1.63	
		2035	\$1.81	
		2036	\$1.81	
		2037	\$1.81	
		2038	\$1.81	
		2039	\$1.81	
		2040	\$1.81	
		2041	\$1.81	
		2042	\$1.81	
		2043	\$1.81	
		2044	\$1.81	
		2045	\$1.81	
		2046	\$1.81	
		2047	\$1.81	
		2048	\$1.81	
		2049	\$1.81	
		2050	\$1.81	
		2051	\$1.81	
		2052	\$1.81	
		2053	\$1.81	
Nitrogen oxides (NO _x)	\$/short ton	2017-2053	\$8,300	US DOT, BCA Guidance December 2018; The Safer Affordable Fuel-Efficient Vehicles Rule for MY2021-MY2026 Passenger Cars and Light Trucks Preliminary Regulatory Impact Analysis (October 2018)".
Volatile Organic Compounds (VOCs)	\$/short ton	2017-2053	\$2,000	
Particulate matter (PM)	\$/short ton	2017-2053	\$377,800	
Sulfur dioxide (SO ₂)	\$/short ton	2017-2053	\$48,900	

6.1.2.3 BENEFIT ESTIMATES

The table below shows the benefit estimates of reducing vehicle delay times and reducing the amount of freight that must be shipped by truck. With a 7 percent discount rate, the estimated present value over the projected 30 year benefit period is \$1.02 million dollars. See Sections 9.6 – 9.7 for additional information.

Table 10: Estimates of Environmental Benefits

Values in 2017\$	In Project Opening Year	Over the Project Lifecycle	
		In Constant Dollars	Discounted at 7%
Avoided Emissions	\$100,512	\$2,980,793	\$1,023,597
Total	\$100,512	\$2,980,793	\$1,023,597

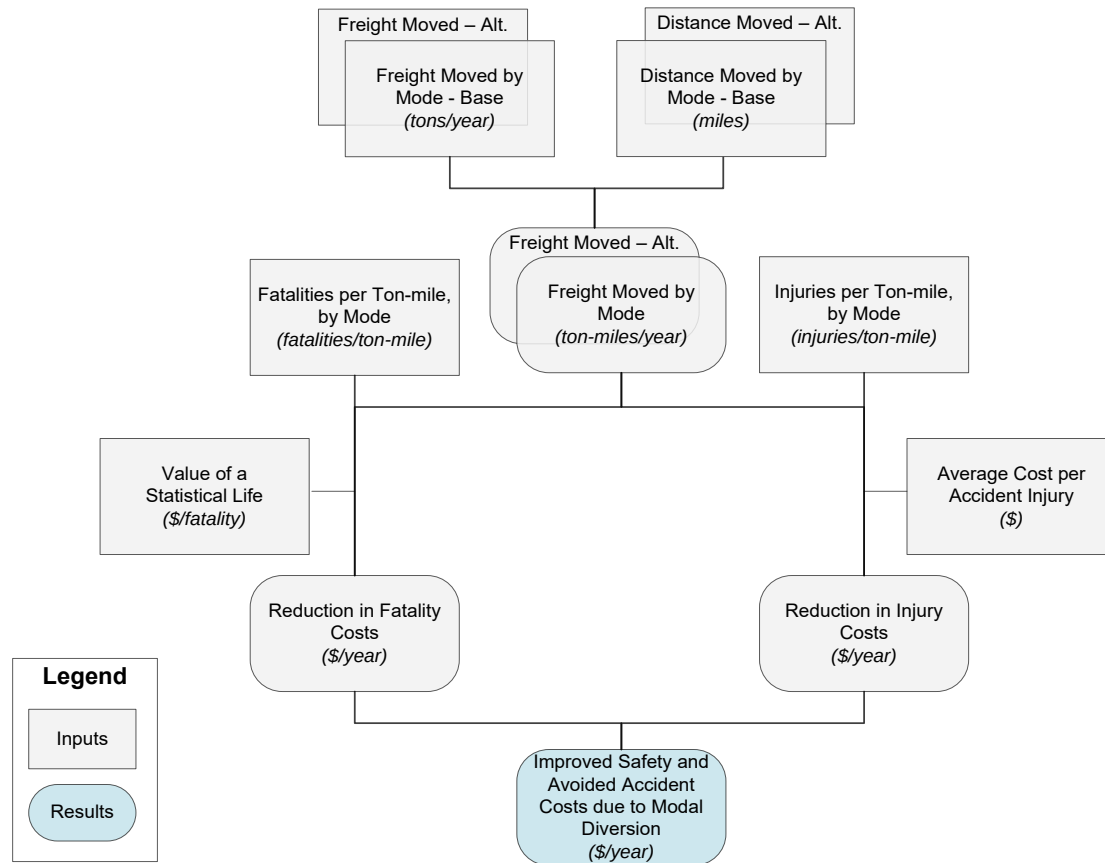
6.1.3 Safety Benefits

The proposed project would contribute to promoting safety through accident reductions due to fewer freight truck movements on public highways.

6.1.3.1 METHODOLOGY

Accident costs, and impacts on life, limb, and property, are a significant component of road user costs. Road safety is a key economic factor in the planning of roads, as well as an important indicator of transportation efficiency. Outside of the economic context, highway safety is often the object of public concern and a leading social issue. Estimating safety benefits requires data on the frequency and severity of accidents for the type of road and area under consideration. In addition, the costs of injuries and fatalities must be monetized. The reduction of trucks on local highways reduces traffic and the likelihood of accidents. Using publicly available data on fatalities and injuries per ton-mile by mode, accident cost impacts were monetized as shown in Figure 6.

Figure 6: Improved Safety and Avoided Accident Costs due to Modal Diversion



While the US DOT BCA Guidance provides a “Severity Unknown” category for injuries based on an assumed distribution of injuries shown in Table 11, which is based on all highway traffic, the vehicles assessed in this study generally are significantly heavier than the average highway vehicle. Moreover, given their heavier weight, it is expected that accidents involving these vehicles are expected to produce more serious injuries.

Table 11: Weighted Average for Severity Unknown Injuries per US DOT BCA Guidance

MAIS Category	Distribution	Value
No Injury	21.54%	\$0
MAIS 1-Minor	62.73%	\$28,800
MAIS 2-Moderate	10.40%	\$451,200
MAIS 3-Serious	3.86%	\$1,008,000
MAIS 4-Severe	0.44%	\$2,553,600
MAIS 5-Critical	1.03%	\$5,692,800
Injury – Severity Unknown	100.00%	\$174,000

Road Traffic Related Injury Severity in Truck Drivers: A Prospective Medical and Technical Analysis of 582 Truck Crashes¹ analyzes injury severity for both truck drivers and other parties

¹ Decker, Sebastian, Dietmar Otte, Christian Walter Muller, Mohamed Omar, Christian Krettek, Carl Haasper, and Stephan Brand.
“Road Traffic Related Injury Severity in Truck Drivers: A Prospective Medical and Technical Analysis of 582 Truck

involved in the crashes between 2000 and 2011. The findings from this 2016 study can be found in Table 12, which found a significantly higher percentage of critical injuries relative to the assumed distribution from the table above. Applying this adjusted weighting, the cost of injuries with unknown severity increases to \$405,271 per injury and was applied to the monetization of expected injuries, but this assumption is tested in the sensitivity section of the report.

Table 12: Adjusted Average for Severity Unknown Injuries

MAIS Category	Distribution	Value
No Injury	49.96%	\$0
MAIS 1-Minor	32.80%	\$28,800
MAIS 2-Moderate	7.96%	\$451,200
MAIS 3-Serious	3.01%	\$1,008,000
MAIS 4-Severe	0.88%	\$2,553,600
MAIS 5-Critical	5.39%	\$5,692,800
Injury – Severity Unknown	100.00%	\$405,271

6.1.3.2 ASSUMPTIONS

The assumptions used in the estimation of safety benefits are summarized in the table below.

Table 13: Assumptions used in the Estimation of Safety Benefits

Variable Name	Unit	Value	Source
Fatalities per Billion Ton-Miles by Train	fatalities/Btm	2.54	US Government Accountability Office, Surface Freight Transportation; A Comparison of the Costs of Road, Truck, and Waterways Freight Shipments That Are Not Passed on to Consumers, January 2011, Table 4.
Fatalities per Billion Ton-Miles by Truck	fatalities/Btm	0.39	
Injuries per Billion Ton-Miles by Truck	injuries/Btm	55.98	
Injuries per Billion Ton-Miles by Train	injuries/Btm	3.32	
Average Cost per Accident Injury	\$/injury	\$405,271	US DOT BCA Guidance for estimating costs of various MAIS injuries. Injuries for unknown severity for accidents calculated based on weighted average of data from "Road Traffic Related Injury Severity in Truck Drivers: A Prospective Medical and Technical Analysis of 582 Truck Crashes"
Value of a Statistical Life	\$/fatality	\$9,600,000	US DOT, Guidance on Treatment of the Economic Value of a Statistical Life in U.S. Department of Transportation Analyses. 2016. Obtained from US DOT BCA Guidance 2018.
Annual Growth in Real Accident Costs	%	0.00%	

6.1.3.3 BENEFIT ESTIMATES

The table below shows the benefit estimates of increased road safety and reduction of the probability of accidents due to a reduction in freight truck traffic. With a 7 percent discount rate applied to the safety benefit, the estimated present value over the projected 30 year benefit period is \$26.7 million dollars. See Sections 9.6 – 9.9 for additional information.

Crashes." Archives of Trauma Research, 5(2) June 2016. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5035669/#A31380R21>.

Table 14: Estimate of Safety Benefits

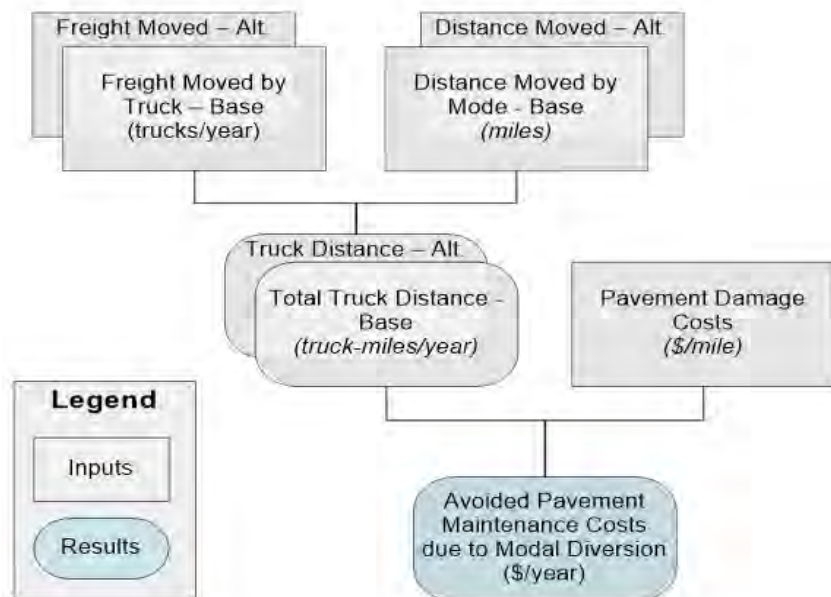
Values in 2017\$	In Project Opening Year	Over the Project Lifecycle	
		In Constant Dollars	Discounted at 7%
Improved Safety and Avoided Accident Costs	\$980,461	\$96,118,445	\$26,682,189
Total	\$980,461	\$96,118,445	\$26,682,189

6.1.4 Avoided Pavement Maintenance Costs

6.1.4.1 METHODOLOGY

In estimating the pavement maintenance costs, ton-miles of goods transported by truck in both the Base and Alternative case are multiplied by the pavement maintenance cost factor from US DOT. Figure 7 outlines the methodology used to monetize the avoided pavement maintenance costs.

Figure 7: Avoided Pavement Maintenance Costs due to Modal Diversion



6.1.4.2 ASSUMPTIONS

The assumptions used in the estimation of avoided pavement maintenance costs are summarized in the table below.

Table 15: Assumptions used in the Estimation of Avoided Pavement Maintenance Costs

Variable Name	Unit	Value	Source
Pavement maintenance cost - rural interstate trucks	\$/truck mile	\$0.08	Addendum to the 1997 Federal Highway Cost Allocation Study, Final Report, U.S. Department of Transportation and Federal Highway Administration, May 2000; Table 13. Assuming 60 kip 5-axle trucks 65% on rural and 35% on urban highways, escalated to 2017\$.

6.1.4.3 BENEFIT ESTIMATES

The table below shows the benefit estimates of reducing truck volumes. With a 7 percent discount rate, the estimated present value over the projected 30 year benefit period is \$2.1 million dollars. See Section 9.10 for additional information.

Table 16: Estimates of Avoided Pavement Maintenance Costs

Values in 2017\$	In Project Opening Year	Over the Project Lifecycle	
		In Constant Dollars	Discounted at 7%
Avoided Pavement Maintenance Costs	\$76,049	\$7,455,373	\$2,069,589
Total	\$76,049	\$7,455,373	\$2,069,589

6.1.5 Residual Value of Capital Assets

6.1.5.1 METHODOLOGY

The residual value of capital assets are calculated in line with the US DOT BCA Guidance based upon an estimated useful life of 35 years for railroads, determined through consultation with the SEADD, NLA, LPPC, and DSR.

6.1.5.2 ASSUMPTIONS

The table below highlights the assumptions used in the estimation of the residual value of the capital assets.

Table 17: Assumptions used in the Estimation of the Residual Value of Capital Assets

Variable Name	Unit	Value	Source
Useful Life of Assets from Segment A	years	35	North Louisiana & Arkansas Railroad (NLA)
Useful Life of Assets from Segment B	years	35	Southeast Arkansas Economic Development District
Useful Life of Assets from Segment C	years	35	Lake Providence Port Commission
Useful Life of Assets from Segment D	years	35	The Delta Southern Railroad

6.1.5.3 BENEFIT ESTIMATES

The table below shows the benefit estimate of the residual value. With a 7 percent discount rate, the estimated present value over the projected 30 year benefit period is \$0.6 million dollars. See Section 9.11 for additional information.

Table 18: Estimates of the Residual Value of Capital Assets

Values in 2017\$	In Project Opening Year	Over the Project Lifecycle	
		In Constant Dollars	Discounted at 7%
Residual Value of Capital Assets	\$0	\$6,429,203	\$602,178
Total	\$0	\$6,429,203	\$602,178

6.1.6 O&M Cost Savings

6.1.6.1 METHODOLOGY

The project is expected to generate both operations and maintenance cost savings from upgrading the current railroad infrastructure through improved railway efficiencies and reduced maintenance costs. The improved rail efficiencies generated by the project is expected to result in a permanent reduction in operations cost. Meanwhile, the railroad infrastructure is expected to reduce the maintenance cost, however as the railroad ages it is expected to incur maintenance costs. Specifically, it is assumed that after 10 years of completing the railroad, maintenance costs would reflect current maintenance costs.

6.1.6.2 ASSUMPTIONS

The assumptions used in the estimation of O&M cost savings are summarized in the table below.

Table 19: Assumptions used in the Estimation of O&M Cost Savings

Variable Name	Unit	Value	Source
Operation Costs Savings - NL&A	\$/year	\$180,000	North Louisiana & Arkansas Railroad (NL&A). Value from a permanent railroad efficiency improvement.
Operation Cost Savings - DSR	\$/year	\$150,000	Delta Southern Railroad (DSR). Value from a permanent railroad efficiency improvement.
Average Annual Maintenance Costs Savings - NL&A	\$/year	\$525,000	North Louisiana & Arkansas Railroad (NL&A). Reduce maintenance cost for new rail for 10 years
Average Annual Maintenance Cost Savings - DSR	\$/year	\$125,000	Delta Southern Railroad (DSR). Reduce maintenance cost for new rail for 10 years

6.1.6.3 BENEFIT ESTIMATES

The table below presents the benefit estimates for O&M cost savings through modal diversion. With a 7 percent discount rate, the estimated present value over the projected 30 years benefit period is \$6.9 million dollars. See Section 9.12 for additional information.

Table 20: Estimates of O&M Cost Savings

Values in 2017\$	In Project Opening Year	Over the Project Lifecycle	
		In Constant Dollars	Discounted at 7%
O&M Cost Savings	\$440,000	\$16,745,000	\$6,913,877
Total	\$440,000	\$16,745,000	\$6,913,877

6.1.7 Other Economic and Social Impacts

In addition to the monetized benefits presented in this section, the project would generate benefits that are difficult to quantify. A brief description of those benefits is provided below.

- **Reduced Road Congestion**

Fewer freight trucks on Interstate Highways and local roads would help alleviate traffic congestion. This impact is not monetized as a detailed traffic study has not been conducted to assess the impact of the project.

- ***Trade Flow Reliability***

In 2011 the Mississippi River experienced record flooding and in 2012 the River was at low water flow levels. Both events caused numerous barge shipping challenges and delays. The requested improvements to the rail would provide an alternate method for the shipment of goods along the corridor and also provide minimal delays to goods moving East and West along the Union Pacific and Kansas City Southern Class 1 rails. Disruptions to the regional freight network have severe impacts on local farms and hinder the delivery of input materials and international exports from manufacturing plants in the south.

- ***Reduced Noise Pollution***

Studies have indicated that diverting truck freight from public roads to rail reduces noise pollution and benefits a wide range of stakeholders along the transportation corridors.

7 Summary of Findings and Benefit-Cost Outcomes

The tables below summarize the BCA findings. Annual costs and benefits are computed over the lifecycle of the project (35 years). As stated earlier, construction is expected to be completed by 2023. Benefits accrue during the full operation of the project.

Table 21: Overall Results of the Benefit Cost Analysis

Project Evaluation Metric	7% Discount Rate	3% Discount Rate
Total Discounted Benefits	\$99,763,881	\$194,387,594
Total Discounted Costs	\$36,924,680	\$41,253,181
Net Present Value	\$62,839,202	\$153,134,413
Benefit / Cost Ratio	2.70	4.71
Payback Period (years)	10.50	9.36
Internal Rate of Return (%)	18.1%	

Table 22: Benefit Estimates by Benefit Category

Impact Categories	7% Discount Rate	3% Discount Rate
Shipper Cost Efficiencies	\$62,472,452	\$122,830,587
Avoided Pavement Maintenance Costs	\$2,069,589	\$4,069,134
Residual Value of Capital Assets	\$602,178	\$2,284,832
O&M Cost Savings	\$6,913,877	\$10,964,703
Improved Safety and Avoided Accident Costs	\$26,682,189	\$52,461,345
Avoided Emissions	\$932,486	\$1,657,411
Total Benefit Estimates	\$99,672,770	\$194,268,012

Considering all monetized benefits and costs, the estimated internal rate of return of the project is 18.1 percent. With a 7 percent real discount rate, the \$36.9 million investment would result in \$99.8 million in total benefits for a Net Present Value of \$62.8 million and a Benefit/Cost ratio of approximately 2.70.

With a 3 percent real discount rate, the Net Present Value of the project would increase to \$153.1 million, for a Benefit/Cost ratio of 4.71.

8 Benefit Cost Analysis Sensitivity

8.1 Variation in Key Inputs and Assumptions

The BCA outcomes presented in the previous sections rely on a large number of assumptions and long-term projections — both of which are subject to considerable uncertainty.

The primary purpose of the sensitivity analysis is to help identify the variables and model parameters whose variations have the greatest impact on the BCA outcomes: the “critical variables.”

The sensitivity analysis can also be used to:

- Evaluate the impact of changes in individual critical variables – how much the final results would vary with reasonable departures from the “preferred” or most likely value for the variable; and
- Assess the robustness of the BCA and evaluate, in particular, whether the conclusions reached under the “preferred” set of input values are significantly altered by reasonable departures from those values.

The outcomes of the quantitative analysis for Southeast Arkansas and Northeast Louisiana Multi-modal Freight Corridor Improvement Project using a 7 percent discount rate are summarized in the table below. The table provides the percentage changes in project NPV associated with variations in variables or parameters, as indicated in the column headers. Given the overwhelming majority of the benefits being derived from impacts associated with the track capacity constraints, three parameters in the sensitivity focused on critical assumptions for the benefits and costs of the project: freight movement demand growth, average haul distance, and the capital costs of the new infrastructure. In addition, a sensitivity for the cost of injuries of unknown severity was conducted to ensure assess the variation between applying the adjusted value and the value provided in the latest US DOT BCA Guidance.

Table 23: Sensitivity Analysis Results

Original NPV (Discounted at 7%)	Parameters	Change in Parameter Value	New NPV (Discounted at 7%)	Change in NPV	New B/C Ratio
\$62,839,202	Avg. Annual Freight Growth Rate	+2.0% higher growth per year	\$98,701,847	+57.07%	3.67
		-2.0% lower growth per year	\$38,514,557	-38.71%	2.04
	Avg. Haul Distance	+25% increase in distance	\$62,839,202	+36.70%	3.33
		-25% reduction in distance	\$39,777,245	-36.70%	2.08
	Injury Cost	Using cost of injury of unknown severity from the US DOT BCA guidance.	\$55,062,178	-12.38%	2.49
	Capital Cost Estimate	+25% increase in capital cost	\$53,758,576	-14.45%	2.16
		-25% reduction in capital cost	\$71,919,827	14.45%	3.60

As can be expected, using a lower freight growth forecast results in lower project benefits as fewer trucks would be needed for the gradual growth in demand. The benefit-cost ratio remains well above 1.0 and demonstrates that even at a very conservative (0.3%/year) demand growth rate, there is a strong case for this project. Inversely, a more aggressive growth rate (4.3%) could result in the BCR reaching as high as 3.67.

Changes in the haul distance have a more uniform and significant impact on results since every ton-mile of freight transported is incrementally beneficial by rail over truck. A 25% increase in average distance increases the NPV by 37% and changes the BCR to 3.33; an inverse 25% decrease reduces the NPV by 37% to \$39.8M and a BCR of 2.08.

By applying a cost of injuries of unknown severity aligned with the values presented in the US DOT BCA Guidance 2018 of \$174,000 per injury, the NPV decreases by 12% but still results in a BCR greater than 1.0.

Changes in the capital cost estimates have a relatively less impactful influence on the net present value, but a greater influence on the BCR, resulting in a potential range of 2.16 to 3.60.

Given that these variables drive the overwhelming majority of the analysis results, the sensitivity analysis indicates that the project is expected to be highly beneficial from the standpoint of its stakeholders and society as a whole.

9 Supplementary Data Tables

This section reports on all economic benefits in line with the “Support for National and Regional Economic Vitality” merit criteria in annual form for the Southeast Arkansas Economic Development District project. Results are reported by year and benefit type. For example, tables providing estimates of annual emission reductions (in tons) are provided under Environmental Benefits.

9.1 Annual Estimates of Total Project Benefits and Costs

Calendar Year	Project Year	Total Benefits (2017\$)	Total Costs (2017\$)	Undiscounted Net Benefits (2017\$)	Total Benefits Discounted at 7%	Total Benefits Discounted at 3%
2018	0	\$0	\$0	\$0	\$0	\$0
2019	1	\$0	-\$2,515,820	-\$2,515,820	\$0	-\$2,351,234
2020	2	\$0	-\$13,203,762	-\$13,203,762	\$0	-\$11,532,677
2021	3	\$0	-\$16,495,332	-\$16,495,332	\$0	-\$13,465,104
2022	4	\$3,892,629	-\$9,155,107	-\$5,262,478	\$2,969,668	-\$4,014,719
2023	5	\$7,623,910	-\$3,634,400	\$3,989,510	\$5,435,742	\$2,844,465
2024	6	\$8,799,638	\$0	\$8,799,638	\$5,863,570	\$5,863,570
2025	7	\$8,935,578	\$0	\$8,935,578	\$5,564,629	\$5,564,629
2026	8	\$9,110,991	\$0	\$9,110,991	\$5,302,680	\$5,302,680
2027	9	\$9,113,995	\$0	\$9,113,995	\$4,957,410	\$4,957,410
2028	10	\$9,095,685	\$0	\$9,095,685	\$4,623,785	\$4,623,785
2029	11	\$9,260,881	\$0	\$9,260,881	\$4,399,778	\$4,399,778
2030	12	\$9,450,176	\$0	\$9,450,176	\$4,195,991	\$4,195,991
2031	13	\$9,639,510	\$0	\$9,639,510	\$4,000,054	\$4,000,054
2032	14	\$9,661,561	\$0	\$9,661,561	\$3,746,920	\$3,746,920
2033	15	\$9,637,714	\$0	\$9,637,714	\$3,493,151	\$3,493,151
2034	16	\$9,793,053	\$0	\$9,793,053	\$3,317,246	\$3,317,246
2035	17	\$9,997,650	\$0	\$9,997,650	\$3,165,000	\$3,165,000
2036	18	\$10,229,733	\$0	\$10,229,733	\$3,026,609	\$3,026,609
2037	19	\$10,462,016	\$0	\$10,462,016	\$2,892,834	\$2,892,834
2038	20	\$10,704,827	\$0	\$10,704,827	\$2,766,331	\$2,766,331
2039	21	\$10,948,001	\$0	\$10,948,001	\$2,644,086	\$2,644,086
2040	22	\$11,200,856	\$0	\$11,200,856	\$2,528,181	\$2,528,181
2041	23	\$11,452,176	\$0	\$11,452,176	\$2,415,801	\$2,415,801
2042	24	\$11,709,306	\$0	\$11,709,306	\$2,308,450	\$2,308,450
2043	25	\$11,972,380	\$0	\$11,972,380	\$2,205,901	\$2,205,901
2044	26	\$12,241,536	\$0	\$12,241,536	\$2,107,937	\$2,107,937
2045	27	\$12,516,915	\$0	\$12,516,915	\$2,014,352	\$2,014,352
2046	28	\$12,799,944	\$0	\$12,799,944	\$1,925,140	\$1,925,140
2047	29	\$13,089,547	\$0	\$13,089,547	\$1,839,904	\$1,839,904
2048	30	\$13,385,875	\$0	\$13,385,875	\$1,758,464	\$1,758,464
2049	31	\$13,689,086	\$0	\$13,689,086	\$1,680,650	\$1,680,650
2050	32	\$13,999,338	\$0	\$13,999,338	\$1,606,300	\$1,606,300
2051	33	\$14,316,795	\$0	\$14,316,795	\$1,535,257	\$1,535,257
2052	34	\$14,641,625	\$0	\$14,641,625	\$1,467,374	\$1,467,374
2053	35	\$21,403,202	\$0	\$21,403,202	\$2,004,687	\$2,004,687
Total		\$354,776,131	-\$45,004,421	\$309,771,710	\$99,763,881	\$62,839,202

9.2 Annual Demand Projections (1 of 2)

Calendar Year	Project Year	Base Case		Alternative Case	
		Train ton-miles per year	Truck ton-miles per year	Train ton-miles per year	Truck ton-miles per year
2018	0	0	45,794,379	0	45,794,379
2019	1	0	46,857,910	0	46,857,910
2020	2	0	47,946,140	0	47,946,140
2021	3	0	49,059,644	0	49,059,644
2022	4	0	50,199,007	25,482,337	26,614,382
2023	5	0	51,364,832	48,916,947	6,090,810
2024	6	0	52,557,731	56,786,733	0
2025	7	0	53,778,334	58,105,551	0
2026	8	0	55,027,285	59,454,997	0
2027	9	0	56,305,242	60,835,783	0
2028	10	0	57,612,877	62,248,636	0
2029	11	0	58,950,882	63,694,302	0
2030	12	0	60,319,960	65,173,541	0
2031	13	0	61,720,834	66,687,135	0
2032	14	0	63,154,241	68,235,880	0
2033	15	0	64,620,939	69,820,594	0
2034	16	0	66,121,698	71,442,111	0
2035	17	0	67,657,312	73,101,286	0
2036	18	0	69,228,589	74,798,994	0
2037	19	0	70,836,357	76,536,129	0
2038	20	0	72,481,464	78,313,608	0
2039	21	0	74,164,777	80,132,367	0
2040	22	0	75,887,184	81,993,365	0
2041	23	0	77,649,591	83,897,583	0
2042	24	0	79,452,929	85,846,025	0
2043	25	0	81,298,148	87,839,717	0
2044	26	0	83,186,220	89,879,711	0
2045	27	0	85,118,141	91,967,082	0
2046	28	0	87,094,929	94,102,930	0
2047	29	0	89,117,626	96,288,381	0
2048	30	0	91,187,298	98,524,587	0
2049	31	0	93,305,037	100,812,727	0
2050	32	0	95,471,958	103,154,007	0
2051	33	0	97,689,203	105,549,661	0
2052	34	0	99,957,942	108,000,952	0
2053	35	0	102,279,370	110,509,171	0
Total		0	2,534,456,013	2,498,132,832	222,363,266

9.3 Annual Demand Projections (2 of 2)

Calendar Year	Project Year	Base Case		Alternative Case	
		Railcars per year	Trucks per year	Railcars per year	Trucks per year
2018	0	0	21,297	0	21,297
2019	1	0	21,792	0	21,792
2020	2	0	22,298	0	22,298
2021	3	0	22,816	0	22,816
2022	4	0	23,345	2,804	12,377
2023	5	0	23,888	5,382	2,833
2024	6	0	24,442	6,248	0
2025	7	0	25,010	6,393	0
2026	8	0	25,591	6,542	0
2027	9	0	26,185	6,694	0
2028	10	0	26,793	6,849	0
2029	11	0	27,416	7,008	0
2030	12	0	28,052	7,171	0
2031	13	0	28,704	7,337	0
2032	14	0	29,370	7,508	0
2033	15	0	30,052	7,682	0
2034	16	0	30,750	7,860	0
2035	17	0	31,465	8,043	0
2036	18	0	32,195	8,230	0
2037	19	0	32,943	8,421	0
2038	20	0	33,708	8,617	0
2039	21	0	34,491	8,817	0
2040	22	0	35,292	9,021	0
2041	23	0	36,111	9,231	0
2042	24	0	36,950	9,445	0
2043	25	0	37,808	9,665	0
2044	26	0	38,686	9,889	0
2045	27	0	39,585	10,119	0
2046	28	0	40,504	10,354	0
2047	29	0	41,445	10,594	0
2048	30	0	42,407	10,840	0
2049	31	0	43,392	11,092	0
2050	32	0	44,400	11,350	0
2051	33	0	45,431	11,613	0
2052	34	0	46,486	11,883	0
2053	35	0	47,566	12,159	0
Total		0	1,178,667	274,860	103,412

9.4 Shipper Cost Efficiencies: Pertinent Quantifiable Impacts

Calendar Year	Project Year	Freight Ton-miles Diverted from Truck to Rail	Truck-miles Diverted from Public Roads to Rail
2018	0	0	0
2019	1	0	0
2020	2	0	0
2021	3	0	0
2022	4	23,584,625	943,385
2023	5	45,274,021	1,810,961
2024	6	52,557,731	2,102,309
2025	7	53,778,334	2,151,133
2026	8	55,027,285	2,201,091
2027	9	56,305,242	2,252,210
2028	10	57,612,877	2,304,515
2029	11	58,950,882	2,358,035
2030	12	60,319,960	2,412,798
2031	13	61,720,834	2,468,833
2032	14	63,154,241	2,526,170
2033	15	64,620,939	2,584,838
2034	16	66,121,698	2,644,868
2035	17	67,657,312	2,706,292
2036	18	69,228,589	2,769,144
2037	19	70,836,357	2,833,454
2038	20	72,481,464	2,899,259
2039	21	74,164,777	2,966,591
2040	22	75,887,184	3,035,487
2041	23	77,649,591	3,105,984
2042	24	79,452,929	3,178,117
2043	25	81,298,148	3,251,926
2044	26	83,186,220	3,327,449
2045	27	85,118,141	3,404,726
2046	28	87,094,929	3,483,797
2047	29	89,117,626	3,564,705
2048	30	91,187,298	3,647,492
2049	31	93,305,037	3,732,201
2050	32	95,471,958	3,818,878
2051	33	97,689,203	3,907,568
2052	34	99,957,942	3,998,318
2053	35	102,279,370	4,091,175
Total		2,312,092,748	92,483,710

9.5 Shipper Cost Efficiencies Benefits: Annual Benefit Estimates

Calendar Year	Project Year	Shipper Cost Efficiencies	Total Shipper Cost Efficiencies	Total Benefits Discounted at 7%	Total Benefits Discounted at 3%
2018	0	\$0	\$0	\$0	\$0
2019	1	\$0	\$0	\$0	\$0
2020	2	\$0	\$0	\$0	\$0
2021	3	\$0	\$0	\$0	\$0
2022	4	\$2,295,607	\$2,295,607	\$1,751,308	\$2,039,617
2023	5	\$4,406,742	\$4,406,742	\$3,141,946	\$3,801,295
2024	6	\$5,115,702	\$5,115,702	\$3,408,808	\$4,284,319
2025	7	\$5,234,509	\$5,234,509	\$3,259,789	\$4,256,135
2026	8	\$5,356,075	\$5,356,075	\$3,117,285	\$4,228,135
2027	9	\$5,480,465	\$5,480,465	\$2,981,010	\$4,200,320
2028	10	\$5,607,744	\$5,607,744	\$2,850,693	\$4,172,688
2029	11	\$5,737,978	\$5,737,978	\$2,726,072	\$4,145,238
2030	12	\$5,871,237	\$5,871,237	\$2,606,900	\$4,117,968
2031	13	\$6,007,591	\$6,007,591	\$2,492,937	\$4,090,877
2032	14	\$6,147,112	\$6,147,112	\$2,383,956	\$4,063,965
2033	15	\$6,289,873	\$6,289,873	\$2,279,739	\$4,037,230
2034	16	\$6,435,949	\$6,435,949	\$2,180,079	\$4,010,671
2035	17	\$6,585,418	\$6,585,418	\$2,084,775	\$3,984,286
2036	18	\$6,738,358	\$6,738,358	\$1,993,637	\$3,958,075
2037	19	\$6,894,850	\$6,894,850	\$1,906,483	\$3,932,036
2038	20	\$7,054,976	\$7,054,976	\$1,823,140	\$3,906,169
2039	21	\$7,218,821	\$7,218,821	\$1,743,440	\$3,880,472
2040	22	\$7,386,471	\$7,386,471	\$1,667,224	\$3,854,944
2041	23	\$7,558,015	\$7,558,015	\$1,594,340	\$3,829,584
2042	24	\$7,733,543	\$7,733,543	\$1,524,642	\$3,804,391
2043	25	\$7,913,147	\$7,913,147	\$1,457,991	\$3,779,363
2044	26	\$8,096,922	\$8,096,922	\$1,394,254	\$3,754,500
2045	27	\$8,284,966	\$8,284,966	\$1,333,303	\$3,729,801
2046	28	\$8,477,376	\$8,477,376	\$1,275,016	\$3,705,264
2047	29	\$8,674,255	\$8,674,255	\$1,219,278	\$3,680,889
2048	30	\$8,875,707	\$8,875,707	\$1,165,976	\$3,656,674
2049	31	\$9,081,836	\$9,081,836	\$1,115,004	\$3,632,618
2050	32	\$9,292,753	\$9,292,753	\$1,066,261	\$3,608,720
2051	33	\$9,508,569	\$9,508,569	\$1,019,649	\$3,584,980
2052	34	\$9,729,396	\$9,729,396	\$975,074	\$3,561,396
2053	35	\$9,955,352	\$9,955,352	\$932,448	\$3,537,967
Total		\$225,047,317	\$225,047,317	\$62,472,452	\$122,830,587

9.6 Environmental Benefits: Pertinent Quantifiable Impacts

Calendar Year	Project Year	Annual Emissions Avoided - NOx (tons)	Annual Emissions Avoided - VOC (tons)	Annual Emissions Avoided - PM (tons)	Annual Emissions Avoided - SO2 (tons)	Annual Emissions Avoided - CO2 (tons)	Freight Ton-miles Diverted from Truck to Rail	Truck-miles Diverted from Public Roads to Rail
2018	0	0	0.0	0.0	0.0	0	0	0
2019	1	0.00	0.00	0.00	0.00	0	0	0
2020	2	0.00	0.00	0.00	0.00	0	0	0
2021	3	0.00	0.00	0.00	0.00	0	0	0
2022	4	1.25	0.11	0.23	-0.09	2,013	23,584,625	943,385
2023	5	1.74	0.17	0.37	-0.16	3,851	45,274,021	1,810,961
2024	6	1.23	0.15	0.36	-0.19	4,456	52,557,731	2,102,309
2025	7	0.44	0.10	0.28	-0.19	4,544	53,778,334	2,151,133
2026	8	0.71	0.09	0.26	-0.19	4,654	55,027,285	2,201,091
2027	9	0.86	0.10	0.25	-0.19	4,767	56,305,242	2,252,210
2028	10	0.99	0.10	0.24	-0.19	4,883	57,612,877	2,304,515
2029	11	1.11	0.09	0.23	-0.19	5,000	58,950,882	2,358,035
2030	12	1.21	0.08	0.22	-0.19	5,121	60,319,960	2,412,798
2031	13	1.31	0.09	0.19	-0.19	5,244	61,720,834	2,468,833
2032	14	1.25	0.07	0.17	-0.19	5,369	63,154,241	2,526,170
2033	15	1.18	0.06	0.15	-0.20	5,498	64,620,939	2,584,838
2034	16	1.10	0.04	0.12	-0.20	5,629	66,121,698	2,644,868
2035	17	0.99	0.03	0.09	-0.20	5,763	67,657,312	2,706,292
2036	18	1.33	0.04	0.10	-0.20	5,915	69,228,589	2,769,144
2037	19	1.67	0.05	0.10	-0.20	6,071	70,836,357	2,833,454
2038	20	2.02	0.06	0.12	-0.20	6,230	72,481,464	2,899,259
2039	21	2.37	0.06	0.12	-0.20	6,394	74,164,777	2,966,591
2040	22	2.59	0.08	0.14	-0.20	6,561	75,887,184	3,035,487
2041	23	2.61	0.08	0.14	-0.21	6,711	77,649,591	3,105,984
2042	24	2.63	0.08	0.14	-0.21	6,863	79,452,929	3,178,117
2043	25	2.64	0.08	0.14	-0.22	7,019	81,298,148	3,251,926
2044	26	2.66	0.08	0.14	-0.22	7,179	83,186,220	3,327,449
2045	27	2.67	0.08	0.14	-0.23	7,343	85,118,141	3,404,726
2046	28	2.74	0.08	0.14	-0.23	7,513	87,094,929	3,483,797
2047	29	2.80	0.09	0.15	-0.24	7,688	89,117,626	3,564,705
2048	30	2.86	0.09	0.15	-0.24	7,866	91,187,298	3,647,492
2049	31	2.93	0.09	0.15	-0.25	8,049	93,305,037	3,732,201
2050	32	3.00	0.09	0.16	-0.25	8,236	95,471,958	3,818,878
2051	33	3.07	0.09	0.16	-0.26	8,427	97,689,203	3,907,568
2052	34	3.14	0.10	0.17	-0.26	8,623	99,957,942	3,998,318
2053	35	3.21	0.10	0.17	-0.27	8,823	102,279,370	4,091,175
Total		62.3	2.73	5.67	-6.64	198,302	2,312,092,748	92,483,710

9.7 Environmental Benefits: Annual Benefit Estimates

Calendar Year	Project Year	Avoided Emissions Costs due to Modal Diversion	Total Environmental Sustainability Benefits	Total Benefits Discounted at 7%	Total Benefits Discounted at 3%
2018	0	\$0	\$0	\$0	\$0
2019	1	\$0	\$0	\$0	\$0
2020	2	\$0	\$0	\$0	\$0
2021	3	\$0	\$0	\$0	\$0
2022	4	\$100,512	\$100,512	\$76,680	\$89,304
2023	5	\$159,047	\$159,047	\$113,398	\$137,195
2024	6	\$149,531	\$149,531	\$99,639	\$125,230
2025	7	\$111,984	\$111,984	\$69,738	\$91,053
2026	8	\$109,882	\$109,882	\$63,953	\$86,742
2027	9	\$106,249	\$106,249	\$57,792	\$81,431
2028	10	\$102,082	\$102,082	\$51,893	\$75,958
2029	11	\$102,106	\$102,106	\$48,510	\$73,764
2030	12	\$96,812	\$96,812	\$42,986	\$67,902
2031	13	\$87,038	\$87,038	\$36,118	\$59,269
2032	14	\$80,356	\$80,356	\$31,163	\$53,125
2033	15	\$73,045	\$73,045	\$26,475	\$46,885
2034	16	\$65,079	\$65,079	\$22,044	\$40,555
2035	17	\$51,417	\$51,417	\$16,277	\$31,108
2036	18	\$60,172	\$60,172	\$17,803	\$35,345
2037	19	\$63,940	\$63,940	\$17,680	\$36,464
2038	20	\$72,930	\$72,930	\$18,846	\$40,379
2039	21	\$76,852	\$76,852	\$18,561	\$41,312
2040	22	\$84,899	\$84,899	\$19,163	\$44,308
2041	23	\$85,726	\$85,726	\$18,084	\$43,436
2042	24	\$86,545	\$86,545	\$17,062	\$42,574
2043	25	\$87,355	\$87,355	\$16,095	\$41,721
2044	26	\$88,157	\$88,157	\$15,180	\$40,878
2045	27	\$88,949	\$88,949	\$14,315	\$40,044
2046	28	\$91,014	\$91,014	\$13,689	\$39,780
2047	29	\$93,128	\$93,128	\$13,090	\$39,519
2048	30	\$95,291	\$95,291	\$12,518	\$39,259
2049	31	\$97,504	\$97,504	\$11,971	\$39,000
2050	32	\$99,768	\$99,768	\$11,448	\$38,744
2051	33	\$102,085	\$102,085	\$10,947	\$38,489
2052	34	\$104,456	\$104,456	\$10,469	\$38,236
2053	35	\$106,882	\$106,882	\$10,011	\$37,984
Total		\$2,980,793	\$2,980,793	\$1,023,597	\$1,776,992

9.8 Safety Benefits: Pertinent Quantifiable Impacts

Calendar Year	Project Year	Fatalities Avoided	Injuries Avoided
2018	0	0.00	0.00
2019	1	0.00	0.00
2020	2	0.00	0.00
2021	3	0.00	0.00
2022	4	0.05	1.24
2023	5	0.10	2.37
2024	6	0.11	2.75
2025	7	0.11	2.82
2026	8	0.12	2.88
2027	9	0.12	2.95
2028	10	0.12	3.02
2029	11	0.12	3.09
2030	12	0.13	3.16
2031	13	0.13	3.23
2032	14	0.13	3.31
2033	15	0.14	3.39
2034	16	0.14	3.46
2035	17	0.14	3.54
2036	18	0.15	3.63
2037	19	0.15	3.71
2038	20	0.15	3.80
2039	21	0.16	3.89
2040	22	0.16	3.98
2041	23	0.16	4.07
2042	24	0.17	4.16
2043	25	0.17	4.26
2044	26	0.18	4.36
2045	27	0.18	4.46
2046	28	0.18	4.56
2047	29	0.19	4.67
2048	30	0.19	4.78
2049	31	0.20	4.89
2050	32	0.20	5.00
2051	33	0.21	5.12
2052	34	0.21	5.24
2053	35	0.22	5.36
Total		4.90	121.14

9.9 Safety Benefits: Annual Benefit Estimates

Calendar Year	Project Year	Improved Safety and Avoided Accident Costs	Total Safety Benefits	Total Benefits Discounted at 7%	Total Benefits Discounted at 3%
2018	0	\$0	\$0	\$0	\$0
2019	1	\$0	\$0	\$0	\$0
2020	2	\$0	\$0	\$0	\$0
2021	3	\$0	\$0	\$0	\$0
2022	4	\$980,461	\$980,461	\$747,989	\$871,127
2023	5	\$1,882,134	\$1,882,134	\$1,341,936	\$1,623,545
2024	6	\$2,184,933	\$2,184,933	\$1,455,913	\$1,829,847
2025	7	\$2,235,676	\$2,235,676	\$1,392,267	\$1,817,809
2026	8	\$2,287,597	\$2,287,597	\$1,331,402	\$1,805,850
2027	9	\$2,340,725	\$2,340,725	\$1,273,199	\$1,793,970
2028	10	\$2,395,086	\$2,395,086	\$1,217,540	\$1,782,169
2029	11	\$2,450,709	\$2,450,709	\$1,164,314	\$1,770,445
2030	12	\$2,507,625	\$2,507,625	\$1,113,415	\$1,758,797
2031	13	\$2,565,862	\$2,565,862	\$1,064,741	\$1,747,227
2032	14	\$2,625,452	\$2,625,452	\$1,018,195	\$1,735,733
2033	15	\$2,686,425	\$2,686,425	\$973,684	\$1,724,314
2034	16	\$2,748,815	\$2,748,815	\$931,119	\$1,712,971
2035	17	\$2,812,653	\$2,812,653	\$890,414	\$1,701,702
2036	18	\$2,877,975	\$2,877,975	\$851,489	\$1,690,507
2037	19	\$2,944,813	\$2,944,813	\$814,265	\$1,679,386
2038	20	\$3,013,203	\$3,013,203	\$778,669	\$1,668,338
2039	21	\$3,083,182	\$3,083,182	\$744,629	\$1,657,362
2040	22	\$3,154,786	\$3,154,786	\$712,077	\$1,646,459
2041	23	\$3,228,053	\$3,228,053	\$680,948	\$1,635,628
2042	24	\$3,303,021	\$3,303,021	\$651,180	\$1,624,868
2043	25	\$3,379,731	\$3,379,731	\$622,713	\$1,614,178
2044	26	\$3,458,222	\$3,458,222	\$595,490	\$1,603,559
2045	27	\$3,538,536	\$3,538,536	\$569,458	\$1,593,010
2046	28	\$3,620,715	\$3,620,715	\$544,564	\$1,582,530
2047	29	\$3,704,803	\$3,704,803	\$520,758	\$1,572,120
2048	30	\$3,790,843	\$3,790,843	\$497,992	\$1,561,777
2049	31	\$3,878,882	\$3,878,882	\$476,222	\$1,551,503
2050	32	\$3,968,965	\$3,968,965	\$455,404	\$1,541,296
2051	33	\$4,061,141	\$4,061,141	\$435,495	\$1,531,157
2052	34	\$4,155,457	\$4,155,457	\$416,457	\$1,521,084
2053	35	\$4,251,964	\$4,251,964	\$398,251	\$1,511,077
Total		\$96,118,445	\$96,118,445	\$26,682,189	\$52,461,345

9.10 Avoided Pavement Maintenance Costs: Annual Benefits Estimates

Calendar Year	Project Year	Avoided Pavement Maintenance Costs	Total Avoided Pavement Maintenance Costs	Total Benefits Discounted at 7%	Total Benefits Discounted at 3%
2018	0	\$0	\$0	\$0	\$0
2019	1	\$0	\$0	\$0	\$0
2020	2	\$0	\$0	\$0	\$0
2021	3	\$0	\$0	\$0	\$0
2022	4	\$76,049	\$76,049	\$58,017	\$67,568
2023	5	\$145,987	\$145,987	\$104,086	\$125,929
2024	6	\$169,473	\$169,473	\$112,927	\$141,931
2025	7	\$173,409	\$173,409	\$107,990	\$140,997
2026	8	\$177,436	\$177,436	\$103,269	\$140,070
2027	9	\$181,557	\$181,557	\$98,755	\$139,148
2028	10	\$185,773	\$185,773	\$94,438	\$138,233
2029	11	\$190,088	\$190,088	\$90,309	\$137,324
2030	12	\$194,502	\$194,502	\$86,361	\$136,420
2031	13	\$199,020	\$199,020	\$82,586	\$135,523
2032	14	\$203,642	\$203,642	\$78,976	\$134,631
2033	15	\$208,371	\$208,371	\$75,523	\$133,745
2034	16	\$213,210	\$213,210	\$72,222	\$132,866
2035	17	\$218,162	\$218,162	\$69,064	\$131,992
2036	18	\$223,228	\$223,228	\$66,045	\$131,123
2037	19	\$228,413	\$228,413	\$63,158	\$130,261
2038	20	\$233,717	\$233,717	\$60,397	\$129,404
2039	21	\$239,145	\$239,145	\$57,757	\$128,552
2040	22	\$244,699	\$244,699	\$55,232	\$127,707
2041	23	\$250,382	\$250,382	\$52,817	\$126,867
2042	24	\$256,197	\$256,197	\$50,508	\$126,032
2043	25	\$262,147	\$262,147	\$48,300	\$125,203
2044	26	\$268,235	\$268,235	\$46,189	\$124,379
2045	27	\$274,465	\$274,465	\$44,170	\$123,561
2046	28	\$280,839	\$280,839	\$42,239	\$122,748
2047	29	\$287,361	\$287,361	\$40,392	\$121,941
2048	30	\$294,035	\$294,035	\$38,626	\$121,138
2049	31	\$300,863	\$300,863	\$36,938	\$120,341
2050	32	\$307,851	\$307,851	\$35,323	\$119,550
2051	33	\$315,000	\$315,000	\$33,779	\$118,763
2052	34	\$322,316	\$322,316	\$32,302	\$117,982
2053	35	\$329,801	\$329,801	\$30,890	\$117,206
Total		\$7,455,373	\$7,455,373	\$2,069,589	\$4,069,134

9.11 Residual Value of Capital Assets: Annual Benefit Estimates

Calendar Year	Project Year	Residual Value of Capital Assets	Total Residual Value of Capital Assets	Total Benefits Discounted at 7%	Total Benefits Discounted at 3%
2018	0	\$0	\$0	\$0	\$0
2019	1	\$0	\$0	\$0	\$0
2020	2	\$0	\$0	\$0	\$0
2021	3	\$0	\$0	\$0	\$0
2022	4	\$0	\$0	\$0	\$0
2023	5	\$0	\$0	\$0	\$0
2024	6	\$0	\$0	\$0	\$0
2025	7	\$0	\$0	\$0	\$0
2026	8	\$0	\$0	\$0	\$0
2027	9	\$0	\$0	\$0	\$0
2028	10	\$0	\$0	\$0	\$0
2029	11	\$0	\$0	\$0	\$0
2030	12	\$0	\$0	\$0	\$0
2031	13	\$0	\$0	\$0	\$0
2032	14	\$0	\$0	\$0	\$0
2033	15	\$0	\$0	\$0	\$0
2034	16	\$0	\$0	\$0	\$0
2035	17	\$0	\$0	\$0	\$0
2036	18	\$0	\$0	\$0	\$0
2037	19	\$0	\$0	\$0	\$0
2038	20	\$0	\$0	\$0	\$0
2039	21	\$0	\$0	\$0	\$0
2040	22	\$0	\$0	\$0	\$0
2041	23	\$0	\$0	\$0	\$0
2042	24	\$0	\$0	\$0	\$0
2043	25	\$0	\$0	\$0	\$0
2044	26	\$0	\$0	\$0	\$0
2045	27	\$0	\$0	\$0	\$0
2046	28	\$0	\$0	\$0	\$0
2047	29	\$0	\$0	\$0	\$0
2048	30	\$0	\$0	\$0	\$0
2049	31	\$0	\$0	\$0	\$0
2050	32	\$0	\$0	\$0	\$0
2051	33	\$0	\$0	\$0	\$0
2052	34	\$0	\$0	\$0	\$0
2053	35	\$6,429,203	\$6,429,203	\$602,178	\$2,284,832
Total		\$6,429,203	\$6,429,203	\$602,178	\$2,284,832

9.12 O&M Costs Savings: Annual Benefit Estimates

Calendar Year	Project Year	O&M Cost Savings	Total O&M Cost Savings	Total Benefits Discounted at 7%	Total Benefits Discounted at 3%
2018	0	\$0	\$0	\$0	\$0
2019	1	\$0	\$0	\$0	\$0
2020	2	\$0	\$0	\$0	\$0
2021	3	\$0	\$0	\$0	\$0
2022	4	\$440,000	\$440,000	\$335,674	\$390,934
2023	5	\$1,030,000	\$1,030,000	\$734,376	\$888,487
2024	6	\$1,180,000	\$1,180,000	\$786,284	\$988,231
2025	7	\$1,180,000	\$1,180,000	\$734,845	\$959,448
2026	8	\$1,180,000	\$1,180,000	\$686,771	\$931,503
2027	9	\$1,005,000	\$1,005,000	\$546,653	\$770,249
2028	10	\$805,000	\$805,000	\$409,221	\$598,996
2029	11	\$780,000	\$780,000	\$370,572	\$563,489
2030	12	\$780,000	\$780,000	\$346,329	\$547,076
2031	13	\$780,000	\$780,000	\$323,672	\$531,142
2032	14	\$605,000	\$605,000	\$234,629	\$399,976
2033	15	\$380,000	\$380,000	\$137,729	\$243,908
2034	16	\$330,000	\$330,000	\$111,782	\$205,645
2035	17	\$330,000	\$330,000	\$104,470	\$199,655
2036	18	\$330,000	\$330,000	\$97,635	\$193,840
2037	19	\$330,000	\$330,000	\$91,248	\$188,194
2038	20	\$330,000	\$330,000	\$85,278	\$182,713
2039	21	\$330,000	\$330,000	\$79,699	\$177,391
2040	22	\$330,000	\$330,000	\$74,485	\$172,225
2041	23	\$330,000	\$330,000	\$69,612	\$167,208
2042	24	\$330,000	\$330,000	\$65,058	\$162,338
2043	25	\$330,000	\$330,000	\$60,802	\$157,610
2044	26	\$330,000	\$330,000	\$56,825	\$153,019
2045	27	\$330,000	\$330,000	\$53,107	\$148,562
2046	28	\$330,000	\$330,000	\$49,633	\$144,235
2047	29	\$330,000	\$330,000	\$46,386	\$140,034
2048	30	\$330,000	\$330,000	\$43,351	\$135,956
2049	31	\$330,000	\$330,000	\$40,515	\$131,996
2050	32	\$330,000	\$330,000	\$37,865	\$128,151
2051	33	\$330,000	\$330,000	\$35,387	\$124,419
2052	34	\$330,000	\$330,000	\$33,072	\$120,795
2053	35	\$330,000	\$330,000	\$30,909	\$117,277
Total		\$16,745,000	\$16,745,000	\$6,913,877	\$10,964,703

Exhibit 3
FD No. 36447
Lake Providence Port Commission
Feeder Line Application
Line of Delta Southern Railroad
Located in East Carroll and
Madison Parishes, Louisiana

Verified Statement Patrecia G. Hargrove
Executive Director
Southeast Arkansas Economic Development District

**Before the
SURFACE TRANSPORTATION BOARD**

STB Docket FD No. 36447

**Lake Providence Port Commission—Feeder Line Application--LINE OF
DELTA SOUTHERN RAILROAD LOCATED IN EAST CARROLL AND
MADISON PARISHES, LOUISIANA**

VERIFIED STATEMENT OF PATRECIA G. HARGROVE

1. My name is Patrecia G. Hargrove. I am the Executive Director of the Southeast Arkansas Economic Development District (SEAEDD), which is a non-profit quasi-governmental agency. Its address is 721 South Walnut Street, Pine Bluff, AR 71601. I am also the Director of Development & Project Oversight, a position that I have held since July 2013. I have personal knowledge of the facts stated herein. I am duly authorized to present this Verified Statement on behalf of SEADD in support of the Feeder Application filed by LPPC.

2. Since 2017, I have headed a unique private-public partnership that is currently composed of SEAEDD, the Lake Providence Port Commission (LPPC), the Madison Parish Port Commission (MPPC), the North Louisiana and Arkansas Railroad (NLA) and the Delta Southern Railroad (DSR) (the Partnership). The goal of the Partnership is secure Federal financial assistance from the U.S. Department of Transportation's *Infrastructure for Rebuilding America (INFRA) Program*. The funds will be used to re-develop a multimodal

freight corridor located along an approximately 100-mile-long section of the Mississippi River (the designated M-55 Marine Highway). The corridor also includes a continuous 91.3-mile line of railroad between MP 408.9 in McGehee, Arkansas and MP 500.2 in Tallulah, Louisiana. The entire rail line, which parallels the Mississippi River, is known as the McGehee-Tallulah Railroad Corridor (“the Corridor”). In order to be awarded an INFRA Grant, DOT must determine the Project is of national or regional significance.¹

2. Because a complete copy of the INFRA Grant is attached to LPPC’s Feeder Application, I will incorporate it by reference in this Verified Statement. I will, however, focus on the need to strictly adhere to the terms and conditions that accompanied the INFRA Grant.

3. I am FRA’s designated point of contact for SEAEDD, which is the Grantee. As defined in the INFRA Terms and Conditions (ITC),² “Grantee means the entity identified on the Agreement cover sheet that receives Federal grant assistance directly from FRA for the accomplishment of the Project referenced in this Agreement.” My point of contact at FRA is Marc Dixon, FRA’s Project Manager – South Central Region. The Board should note that the Grantee is charged with the responsibility to comply with the scope of work and must obtain the prior approval from FRA before it can make any change in the scope

¹ The *Notice of Funding Opportunity for the Department of Transportation’s Nationally Significant Freight and Highway Projects (INFRA Grants) for Fiscal Year 2019* was published at 83 Fed. Reg. 65789, Dec. 21, 2018.

² A copy of the ITC is attached hereto as Attachment 1.

of work. Because the primary objective is to redevelop the entire Corridor, any changes to the scope of work that would negate the ability to traverse the track between MP 471 and 491 would have to be approved by FRA. In this respect, the ITC explicitly states that the Grant Manager, who oversees compliance with the terms and conditions in the Grant Agreement, “is not authorized to unilaterally change the Statement of Work, make any changes which affect this Agreement’s monetary amount, Project Performance Period, or other terms and conditions.” To obtain FRA’s approval of scope changes, I must prepare and submit a detailed letter that reflects a proposed scope change and the rationale for those changes. I will note that it took repeated drafts and several months to finalize the March 17, 2020 letter that describes past scope changes and the underlying rationales

4. I filed SEAEDD’s FY 19-20 INFRA Application on March 2, 2019. The Application requested \$25,589,421 of Federal Funding to cover a portion of the projected total cost of \$59,438,029 to reconstruct the entire Corridor. By email dated July 10, 2019, Paul Baumer on behalf of Chief Infrastructure Funding Officer Dan DeBono at the U.S. Department of Transportation, requested me to commit by close of business on the following day to the completion of *the full project* even though the \$10,516,259 of INFRA Grant money would require SEAEDD, LPPC, the Madison Parish Port, NLA and DSR (hereinafter jointly referred to as the “Stakeholders”) to cover the shortfall of \$15,173,162 of additional funds that would be required to cover the

rehabilitation of the entire corridor. Because Baumer's email to SEAEDD was sent at 7:18 PM on July 10, I had only one day to respond.

5. After I reviewed the email from Paul Baumer, I immediately notified our consultants at HDR and Wyly Gilfoil at LPPC to advise them that we needed to talk about how we would respond to DOT's request that I provide a description of which sources I would expect to use to make up the difference between the request and the award amount.

6. The following afternoon, after consulting with all parties, including John Marino and Jon Ryan at Continental Rail (which had acquired the stock of DSR in 2015 from its former owners in a transaction outside of the Board's jurisdiction), and receiving everyone's input, I sent the following email to Paul Baumer on July 11:

In response to your email, SEAEDD and its partners would accept a reduced INFRA grant award of \$10,516,259, which you note reflects a \$15,173,162 reduction in the total amount requested. By accepting a reduced award, we could continue to meet the goals and objectives of the overall project, however, several project components would be delayed. The priority for SEAEDD is to rehabilitate the entire rail corridor, which is estimated at \$18.6 million. Reduced federal funding would delay infrastructure investments associated with connectivity to local shippers and multimodal connections between the ports, Mississippi River and the rail corridor. The funding gap could be made up through local port funds, the LADOTD port priority program, and potentially more private funding from the short line railroads.

7. The Stakeholders and HDR engaged in months of negotiations to revise the project scope of work. No one ever suggested that the 20-mile segment would not be rehabilitated. Nor did anyone question that the overall

goal of the Project was to rehabilitate the entire Corridor. On December 10, 2019, DSR submitted what it termed its:

updated uses for the SEAEDD grant money that has been allocated to the DSRR to rehabilitate our portion of the corridor. We believe the plan laid out below will accomplish the overall goal for this section of track leading to Madison Parish Port.

DSR's "plan," however, addressed only the portion of its segment that extends between MP 491 and MP 450. No mention whatsoever was made regarding the 20-mile segment of tracks between MP 471 and MP 491 that LPPC seeks to acquire through this Feeder Application.

8. On March 17, 2020, I submitted SEAEDD's request for FRA to approve scope changes to the Project to fit the new budget that reduced the Non-Federal Cost share to \$10,861,267³ Although the reduced share reflected the elimination of certain components, such as a Mississippi River dock component, it did not impact the need to rehabilitate the tracks at issue.

9. By letter dated June 1, 2020, FRA sent me a letter that explained that FRA and the Office of the Secretary of USDOT had determined that SEAEDD's request to modify the scope and budget of the Project had been determined to be "sufficient and will therefore advance the Project, as revised." The letter also stated that FRA will reach out to me "to begin developing the

³ See Letter to Marc Dixon from Patricia Hargrove, dated March 17, 2020, which is attached hereto as Attachment 2.

Statement of Work and other documents for the FRA-SEAEDD grant agreement.”

10. As part of the process, on July 30, 2020, I forwarded a draft “Consortium Agreement Final Draft” to all of the other consortium members. As I explained in my email:

During the life of the INFRA project, SEAEDD as the Grantee and Grant Administrator must oversee the management of the project. Because this project is comprised of 5 consortium members, it is necessary for all members to agree to work together toward the successful completion of this project. The agreement outlines roles and responsibilities for all consortium members involved, as well as funding flow/process, reporting, etc.

Please review the agreement and make any comments and/or revisions. The goal is to have an agreement in place prior to the signing of the grant agreement, which is expected to be completed and submitted to SEAEDD for execution by the end of August.

11. On August 14, Jon Ryan, from Continental Rail, responded by emailing “an updated draft with our comment so our scope matches the grant.” The “comment” consisted of DSR’s unilateral change in the number of miles on DSR’s tracks to be upgraded from excepted track by striking “20” miles and replacing it with “10” miles.⁴ No further explanation was provided. Recognizing the potential negative impact of DSR’s unauthorized, unilateral change, I forwarded Ryan’s email to Wyly Gilfoil and asked him to review it. Gilfoil agreed with my assessment and agreed to speak with John Marino,

⁴ *Id.*

12. After learning that Gilfoil had not been able to obtain assurances from Marino that DSR would rehab the tracks between MP 471 and 491, I forwarded an email Marino on August 18. As I explained:

I need to have an answer in writing by 12 noon CDT on Friday, August 21, 2020 describing Delta Southern Railroad's intentions as far as the Consortium Agreement and the Grant Agreement to repair the track between Talla Bena, Louisiana and Lake Providence, Louisiana to a minimum of FRA Class I standards and provide service as described in the narrative of the INFRA application and INFRA award.

13. I also had a follow-up call with Marino in which I questioned him as to why DSR had changed the mileage that it would rehabilitate when the proposed Consortium Agreement reflected the scope of work that FRA had approved. Marino replied that he saw no reason for DSR to upgrade the track beyond MP 491 to FRA Class 1 standard because DSR doesn't have any business in that direction and did not need to rehab that section of its track to service the shippers located at the Madison Parish Port. He also noted that there was no need to rehabilitate the six miles of track that DSR was using to receive income from storing railcars that are parked north of MP 491. Marino also indicated that DSR did not intend to cease using the track for storage purposes. In response, I reminded Marino that because the intent of the grant funding was that the entire corridor has access to UP to the North and KCS to the south, the future storage of railcars would be inconsistent with the unquestioned goal of the Project.

14. On August 21, Marino responded to my August 18 letter. In his email he stated that explained “The Delta Southern will commit to completing the grant work outlined in our original estimates as detailed below.” As the attachment to his email reflected, DSR had no intent to do any work on other than its “Priority-Miles” that are located between MP 491 and MP 500. Copies of December 10, 2019 email that Marino forwarded to Dorie Magiera and the August 21, 2020 email that Marino forwarded to me are attached hereto.

15. I clearly understand that the failure to rehabilitate the twenty miles of track at issue conflicts with the SEAEDD’s INFRA Grant Application as it would prevent the full reopening of the entire corridor. Because this could jeopardize the INFRA Grant funds, which are critical, the other Partners conferred with one another regarding what could be done to save the INFRA Grant. LPPC agreed that it would seek to acquire the twenty-mile segment for its NLV by filing a Feeder Application with the Board.

16. To ensure that this approach would satisfy FRA, I promptly advised FRA of DSR’s decision and LPPC’s determination to acquire the segment after it was able to determine the property’s NLV. In response, FRA confirmed that LPPC’s acquisition of the property would not adversely impact the INFRA Grant funding *if* the segment is re-opened for rail service consistent with the approved Scope of Work.

17. LPPC is ready, willing and able to acquire and upgrade the segment of the Corridor between MP 471 and MP 491. Because this will allow

the Partners to satisfy the basic terms of the INFRA Grant, I request the Board, on behalf of SEAEDD and the other Partners of the Consortium, to grant LPPC's Feeder Application. Because of time constraints imposed by the Grant, I also request the Board to expedite its consideration of the Feeder Application. As the DOT's INFRA Grant reflects, the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor is of national significance. By granting the Feeder Application, the Board will ensure that the Corridor will be timely re-developed consistent with the public convenience and necessity.

I, Patrecia G. Hargrove, declare under penalty of perjury that the foregoing statement is true and correct. Further, I certify that I am qualified and authorized to file this statement. Executed this 9th day of November 2020.


Patrecia G. Hargrove

Exhibit 3, Attachment 1
FD No. 36447

U.S. Department of Transportation
Federal Railroad Administration
Grant Agreement – Attachment 1
INFRA TERMS AND CONDITIONS
32 Pages

Grant Agreement – Attachment 2
STATEMENT OF WORK
9 Pages

Grant Agreement – Attachment 3
DEVILERABLES AND APPROVED PROJECT SCHEDULE
2 Pages

Grant Agreement – Attachment 4
APPROVED PROJECT BUDGET
3 Pages

Exhibit 3, Attachment 1
FD No. 36447

DEPARTMENT OF TRANSPORTATION
FEDERAL RAILROAD ADMINISTRATION

Grant Agreement – Attachment 1

INFRA TERMS AND CONDITIONS

August 2019

PART I. ATTACHMENT OVERVIEW AND DEFINITIONS

Attachment 1 is part of the Agreement and contains the standard terms and conditions governing the execution of the Project and the administration of the Agreement. By entering into this Agreement with the Federal Railroad Administration (FRA), the Grantee agrees to comply with these terms and conditions and all applicable Federal laws and regulations, including those discussed in this Agreement. Terms that appear frequently throughout the Agreement are defined, as follows:

- a. **Agreement** means this Grant Agreement, including the cover sheet and all attachments and amendments. As used on the Agreement cover sheet, section 9 “Previous Agreements” refers to the amount of the original Agreement, together with, if applicable, all amounts from amendments to the Agreement that precede the current amendment. As used on the Agreement cover sheet, section 10 “This Agreement” refers to the amount being added or subtracted with the current amendment, if applicable, or the original Agreement. As used on the Agreement cover sheet, section 11 “Total Agreement” refers to the combined amounts of section 9 “Previous Agreements” and section 10 “This Agreement”.
- b. **Application** means the signed and dated application submitted by or on behalf of the Grantee, as may be amended, seeking Federal financial assistance for the Project, together with all explanatory, supporting, and supplementary documents, assurances and certifications filed with and accepted by FRA or DOT.
- c. **Approved Project Budget** is in Attachment 4 to this Agreement and means the most recently dated written statement, approved in writing by FRA, of the estimated total cost of the Project. The term “Approved Project Budget” also includes “Financial Plan” as used in 2 C.F.R. § 200.308.
- d. **Approved Project Schedule** is in Attachment 3 to this Agreement.
- e. **Authorized Representative** means the person(s) at FRA or the Grantee who is able and approved to communicate on behalf of the organization, perform the referenced action, or commit the organization to the referenced action, pursuant to the organization’s internal policies, procedures, or reporting structure.
- f. **DOT** means the United States Department of Transportation, including its operating administrations.
- g. **Effective Date** means the earlier of the federal award date and the beginning of the Project Performance Period.
- h. **Federal Contribution** means the amounts obligated, whether paid or not, by FRA to the Grantee under this Agreement as shown in the “Federal” column in sections 9, 10 and 11 of the Agreement cover sheet.

- i. **Federal Funding Period** means the period that FRA provides funds under this Agreement as shown in section 5 of the Agreement cover sheet.
- j. **Federal Government** means the United States of America and any executive department or agency thereof.
- k. **Federal Railroad Administration or FRA** is an operating administration of the DOT and the Federal Awarding Agency for this Agreement.
- l. **Grantee** means the entity identified on the Agreement cover sheet that receives Federal grant assistance directly from FRA for the accomplishment of the Project referenced in this Agreement.
- m. **Grant** as used in this Agreement means funding awarded through a grant agreement as well as funding awarded through a cooperative agreement as each of those terms is defined in 2 C.F.R. Part 200.
- n. **Non-Federal Contribution** means any amount, as shown under the "Non-Federal" column in sections 9, 10 and 11 of the Agreement cover sheet, including matching funds as used in 2 C.F.R. Part 200, not funded by FRA under this Agreement, regardless of whether the source of any or all of such contribution is a Federal source.
- o. **Pre-Agreement Costs** means "pre-award costs," as that term is defined in 2 C.F.R. § 200.458.
- p. **Project** means the task or set of tasks set forth in the Statement of Work.
- q. **Project Performance Period** means "period of performance" as defined in 2 C.F.R. § 200.77 and described in 2 C.F.R. § 200.309, and is shown in section 4 of the Agreement cover sheet.
- r. **Statement of Work** means a detailed description of the work the Grantee will complete with the grant funding from this Agreement, and appears in Attachment 2 to this Agreement.
- s. **Total Federal Assistance** means the combined total of the Federal Contribution and the portion, if any, of the Non-Federal Contribution that is from a Federal source.

Additional definitions are found in 2 C.F.R. Part 200, Subpart A, and these Subpart A definitions are incorporated herein by reference and made a part hereof. Defined terms in Subpart A incorporated herein are not capitalized in this Agreement.

PART II. GENERAL TERMS AND CONDITIONS

1. Grant Agreement:

This Agreement constitutes the entire agreement between the Grantee and FRA. All prior discussions and understandings concerning such scope and subject matter are superseded by this Agreement. This Agreement is governed by and subject to 2 C.F.R. Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, and DOT's implementing regulations at 2 C.F.R. Part 1201.

2. FRA Role:

This Agreement is between FRA and the Grantee. FRA is responsible for funding disbursements to the Grantee under this Agreement. FRA will also conduct oversight and monitoring activities to assess Grantee progress against established performance goals and the Statement of Work, as well as to assess compliance with terms and conditions and other requirements of this Agreement.

If this award is made as a Cooperative Agreement, FRA will have substantial programmatic involvement. Substantial involvement means that, after award, technical, administrative, or programmatic staff will assist, guide, coordinate, or otherwise participate with the Grantee in Project activities.

FRA may provide professional staff to review work in progress, completed products, and to provide or facilitate access to technical assistance when it is available, feasible, and appropriate, which may include the following:

- a. Financial Analyst. The Financial Analyst will serve as the Grantee's point of contact for systems (e.g., GrantSolutions and the Delphi eInvoicing System) access and troubleshooting as well as for financial monitoring. The Financial Analyst is not authorized to unilaterally change the Statement of Work, make any changes which affect this Agreement's monetary amount, the delivery schedule, Project Performance Period or other terms or conditions.
- b. Grant Manager. The Grant Manager will serve as the Grantee's point of contact for grant administration and will oversee compliance with the terms and conditions in this Agreement. The Grant Manager reviews financial reports, performance reports, and works with the Regional Manager to facilitate effective Project delivery. The Grant Manager is not authorized to unilaterally change the Statement of Work, make any changes which affect this Agreement's monetary amount, Project Performance Period, or other terms and conditions.
- c. Regional Manager. The Regional Manager will be the Grantee's point of contact for the technical aspects of Project delivery. The Regional Manager coordinates Project deliverable review, evaluates Grantee technical assistance needs, and generally assesses Project progress and performance. The Regional Manager is not authorized to unilaterally change the Statement of Work, make any changes which affect this

Agreement's monetary amount, Project Performance Period, or other terms and conditions.

- d. Contact Information. FRA strongly prefers electronic submission of most documents (instructions for electronic submission are included under various requirements outlined in Part II of this attachment). If the Grantee must mail documentation, that documentation should be delivered to the Grant Manager at:

Federal Railroad Administration
Office of Railroad Policy and Development
Mail Stop 20
1200 New Jersey, SE
Washington, DC 20590
ATTN: (ASSIGNED GRANT MANAGER)

3. Applicability of Title 23, United States Code:

This grant provides funds authorized under 23 U.S.C. § 117; as such Grantee agrees to comply with the requirements in Title 23, United States Code including those in Attachment 5, Applicable Federal Law and Regulations. The Federal Highway Administration will assist FRA in providing technical assistance and in its oversight and administration of this grant, including through participation in monitoring/project delivery meetings with the Grantee as applicable.

4. Grantee Responsibility and Authority:

The Grantee affirms that it had and has, as applicable, the legal authority to apply for the Grant, to enter into this Agreement, and to finance and carry out the proposed Project. The Grantee further affirms that any required resolution, motion or similar action has been duly adopted or passed as an official act authorizing the filing of the Application, where applicable, including all understandings and assurances contained therein, and the entering into of this Agreement. The Grantee will not take or permit any action that would operate to deprive it of any of the rights and powers necessary to perform any or all of the terms, conditions, and assurances in this Agreement without the written approval of the FRA, and will act promptly to acquire, extinguish, or modify any outstanding rights or claims of right of others that would interfere with such performance by the Grantee. The Grantee agrees that this will be done in a manner acceptable to the FRA.

5. Project Scope, Schedule, and Budget:

The Grantee agrees to carry out, complete and ensure the use of the Project in a sound, economical, and efficient manner, and in accordance with the provisions of this Agreement, including the Approved Project Budget, the Statement of Work, the Approved Project Schedule, grant guidance, the Application as applicable, and all

applicable laws, regulations, and published policies.

- a. Scope. The Grantee will furnish all personnel, facilities, equipment, and other materials and services, except as otherwise specified herein, that are necessary to complete the approved Project, in accordance with the representations, certifications and assurances set forth in the Grantee's Applications(s) as applicable, and any amendments thereto, incorporated herein by reference and made a part hereof.
- b. Schedule. The Grantee will complete this Project, as documented in the Statement of Work, within the Project Performance Period. Schedule and Project Performance Period extension requests may be permitted, at the discretion of the FRA, subject to applicable law. The Grantee should request such an extension no later than 90 days prior to the Project Performance Period end date.
- c. Budget. The Grantee will complete the Project within the funding limits and parameters specified on the Agreement cover sheet and the Statement of Work.

- 1) Project Costs and Funding Contributions. The Federal Contribution, Non-Federal Contribution and total estimated Project costs toward this Project are documented in sections 9, 10 and 11 of the Agreement cover sheet and may not be changed without a written request and justification from the Grantee, written approval from FRA, and an amendment or closeout to the Agreement. FRA will fund the Project at the lesser of the Federal Contribution and the difference between the total actual Project cost and the Non-Federal Contribution. If the actual Project costs are less than the total estimated Project costs, then the Grantee may either:

(a) submit for approval a written proposal to use the difference between total estimated Project costs and the actual Project costs, for additional activities that are within the scope of this award, or if such proposal is not submitted or approved,

(b) submit for approval the reduced cost in their final reports documenting the reduction to the Federal Contribution by the difference between the total estimated Project costs and the actual Project costs, and refund any amounts owed to FRA as a result.

Notwithstanding the above, funds authorized under 23 U.S.C. § 117 may not exceed 60% of the total Project costs, and Total Federal Assistance may not exceed 80% of the total Project cost, consistent with 23 U.S.C. § 117(j).

- 2) Non-Federal Contribution. The Grantee is responsible for completing the Project, including providing the Non-Federal Contribution, consistent with the Approved Project Budget and 23 U.S.C. § 117(j), and any other funds necessary for completing the Project. The Grantee affirms that it will complete all actions necessary to provide the Non-Federal Contribution at or before the time that such funds are needed to meet Project expenses. The Grantee also affirms that it has

sufficient funds available to assure operation and maintenance of items funded under this Agreement that it will own or control.

- 3) Use of Limited Non-Highway Funds. The Grantee acknowledges that the DOT selected the Project for award with the expectation that no more than the "INFRA Grant Amount Subject to 23 U.S.C. 117(d)(2)" that is listed in the Approved Project Budget would be subject to the limitation at 23 U.S.C. 117(d)(2). The Grantee will not request reimbursements that are subject to the limitation at 23 U.S.C. 117(d)(2) and, in aggregate, exceed the "INFRA Grant Amount Subject to 23 U.S.C. 117(d)(2)" that is listed in the Approved Project Budget.
- 4) Project Budget Detail. The Grantee agrees to carry out the Project according to the Approved Project Budget. The Grantee agrees to obtain the prior written approval from FRA for any revisions to this Approved Project Budget that equal or cumulatively exceed 10 percent of any budget task line item (or pertain to a cost category involving contingency or miscellaneous costs).

e. Property and Equipment.

- 1) The Grantee will operate the property and equipment funded with this Agreement for the originally authorized purpose.
- 2) If the Grantee is not the entity operating the property and/or equipment funded with this Agreement, then the Grantee represents that it will ensure the property and equipment funded with this Agreement will be used for the originally authorized purpose, if necessary, through appropriate arrangements with:
 - i. The entity or entities operating the property and/or equipment funded with this Agreement; and
 - ii. If applicable, the owner of right-of-way used by the property and/or equipment funded with this Agreement.

- f. Pre-Agreement Costs. Grantee may request approval of Pre-Agreement costs incurred after the date DOT notifies the Grantee of its proposed selection for award. Such a request must demonstrate the purpose and amount of the costs, and whether such costs serve as cost-sharing or matching funds. If FRA approves Pre-Agreement Costs, within the constraints described in the Statement of Work, the Grantee may seek reimbursement for these costs on or after the start of the Federal Funding Period specified on the Agreement cover sheet. Such costs are allowable for reimbursement only to the extent that they are otherwise allowable under the terms of this Agreement, and are consistent with 2 C.F.R. § 200.458 and 23 C.F.R. 1.9(b).

6. Grant Amendments:

- a. Other than close-out, modifications to this Agreement may be made only in writing, signed by an Authorized Representative for FRA and the Grantee, and specifically referred to as an amendment to this Agreement.
- b. Required modifications include, but are not limited to, the following:
 - 1) the Project's activities differ from those described in the Statement of Work;
 - 2) changes to the Project Performance Period or the Federal Funding Period;
 - 3) the Project's "Other Federal Funds" increases from the amount listed in the Approved Project Budget;
 - 4) the Project's "State Funds," "Local Funds," or "Other Funds" decrease from the dollar amounts listed in the Approved Project Budget regardless of whether the Non-Federal Contribution remains the same; or
 - 5) the "INFRA Grant Amount subject to 23 U.S.C. 117(d)(2)" changes from the amount listed in the Approved Project Budget.
- c. FRA may accept or reject proposals from the Grantee under section 5(c) and this section, and in doing so may elect to consider only the interests of the DOT.

7. Flow Down Provisions:

The Grantee will ensure persons or entities that perform any part of the work under this Agreement, including Subrecipients, as defined in 2 C.F.R. § 200.93, or Contractors, as defined in 2 C.F.R. § 200.23, will comply with applicable federal requirements and federal guidance, and the applicable requirements of this Agreement. Grantee agrees that flowing down such requirements does not relieve it of any obligation to comply with the requirements itself.

For each of the Grantee's subawards or contracts to perform all or part of the work under this Agreement:

- a. The Grantee must include applicable grant regulations in the subaward or contract and ensure compliance with these provisions, including applicable provisions of 2 C.F.R. Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, and DOT's implementing regulations at 2 C.F.R. Part 1201 *See* 2 C.F.R. § 200.101.
- b. The Grantee must include applicable federal statutory and regulatory requirements in the subaward or contract and ensure compliance with these requirements, including applicable limitations on use of federal funds.
- c. The Grantee must include any other applicable requirements of this Agreement in the subaward or contract and ensure compliance with these requirements.
- d. The Grantee will require provisions for the further flow down of the regulations and requirements in subsections (a) and (b) of this section to each subsequent subaward

or subcontract, as required.

8. Successors and Assigns:

The Grantee is not authorized to assign this Agreement without FRA's express prior written consent.

9. Execution:

This Agreement may be executed by the Grantee and FRA in separate counterparts, each of which when so executed and delivered will be deemed an original.

10. Changed Conditions of Performance (Including Litigation):

The Grantee agrees to immediately notify FRA, in a written statement to the FRA Grant Manager, of any change in local law, conditions, or any other event that may affect its ability to perform the Project in accordance with the terms of this Agreement. In addition, the Grantee agrees to immediately notify the FRA Grant Manager of any decision pertaining to the Grantee's conduct of litigation that may affect FRA's interests in the Project or FRA's administration or enforcement of applicable federal laws or regulations. Before the Grantee may name FRA as a party to litigation for any reason, the Grantee agrees first to inform the FRA Grant Manager in writing; this provision applies to any type of litigation whatsoever, in any forum.

11. Severability:

If any provision of this Agreement is held invalid, all remaining provisions of this Agreement will continue in full force and effect to the extent not inconsistent with such holding.

12. Right of FRA to Terminate:

- a. The Grantee agrees that, upon written notice, FRA may, in whole or in part, suspend, terminate, or suspend and terminate the Federal Contribution if:
 - 1) Grantee fails to meet or violates the terms, conditions or obligations specified under this Agreement;
 - 2) Grantee fails to make reasonable progress on the Project;
 - 3) Grantee fails to provide the Non-Federal Contribution;
 - 4) Grantee violates any other provision of this Agreement that the FRA determines significantly endangers substantial performance of the Project;
 - 5) FRA determines that the purposes of the statute(s) under which the Project is authorized or funded would not be adequately served by continuation of the Federal Contribution; or
 - 6) FRA determines that termination of this Agreement is in the public interest.

- b. In general, suspension and/or termination of any part of the Federal Contribution will not invalidate obligations properly incurred by the Grantee and concurred in by FRA before the termination date; to the extent those obligations cannot be canceled. However, FRA reserves the right to require the Grantee to refund the entire amount of the Federal Contribution provided under this Agreement or any lesser amount as may be determined by FRA in its sole discretion, if FRA determines that the Grantee has misused the Federal Contribution, including by:
- 1) Failing to make adequate progress;
 - 2) Failing to make reasonable use of the Project property, facilities, or equipment, or
 - 3) Failing to adhere to the terms of this Agreement.

13. Term:

This Agreement is in effect from the Effective Date until the end of the closeout period, regardless of whether FRA suspends or terminates all or part of the Federal Contribution provided herein. The expiration of any time period for performance or funding established for this Project does not, by itself, constitute an expiration or termination of this Agreement.

The end of the closeout period of this Agreement does not affect continuing obligations under 2 C.F.R. Part 200, including those in 2 C.F.R. § 200.344. Any right or obligation of the parties in this Agreement or the closeout notification which, by its express terms or nature and context is intended to survive termination or expiration of this Agreement, will survive any such termination or expiration of this Agreement.

PART III. GRANT MANAGEMENT TERMS AND CONDITIONS

Performance and Reporting Provisions

14. Deliverables and Products:

The Grantee will submit deliverables, including publications or other products, to FRA as stipulated in this Agreement. Substantive changes to the nature of the deliverables or significant timeline modifications require advanced written approval and may require an Amendment to this Agreement.

The Grantee will submit deliverables that adhere to all applicable laws, regulations, and FRA guidance within the timeframes established. In some instances, as articulated in the Statement of Work, the Grantee may be required to submit deliverables and obtain approval from FRA prior to continuing all or a portion of the work on the Project. Accordingly, the Grantee must account for FRA deliverable review time when planning work or submissions.

Whether for technical examination, administrative review, publication, or approval, all deliverable submissions will be of a professional quality and suitable for their intended

purpose.

15. Quarterly Progress Reports:

The Grantee will submit one completed progress report quarterly (totaling four annually), in the form/format provided by FRA at <http://www.fra.dot.gov/Page/P0274>. For the duration of the Project Performance Period, the Grantee must report for the periods of: January 1 – March 31; April 1 – June 30; July 1 – September 30; and October 1 – December 31. The Grantee will furnish one copy of the completed progress report to the assigned FRA Grant Manager on or before the thirtieth (30th) calendar day of the month following the end of the quarter for which the report is submitted.

The Grantee will complete the report in its entirety with the most accurate information available at the time of reporting. The Grantee must be able to support the information contained in its progress reports and ensure that the activities described in the report are commensurate with reimbursement requests and/or outlay figures reported for the quarter. This report will be consistent with 2 C.F.R. § 200.301.

16. Quarterly Federal Financial Reports:

The Grantee will submit the Federal Financial Report (Standard Form 425) on the same schedule as the required quarterly progress report (listed above). Reports should be submitted online through GrantSolutions. Reports will be submitted in accordance with the form's instructions. The final SF-425 is due within 90 days after the end of the Project Performance Period, but may be submitted as soon as all outstanding expenditures have been completed. The Grantee must be able to support the information contained in its financial reports and will ensure that all data included in the reports is accurate and consistent.

17. Interim and Final Performance Reports:

If required by the Statement of Work, the Grantee will submit interim reports at the intervals specified in the Statement of Work. The Grantee must submit a Final Performance Report via email to the FRA Grant Manager when the Project(s) funded through this Agreement are completed. The Grantee must complete closeout activities and submit reports, no later than 90 days after the end of the Project Performance Period for this Agreement or the FRA termination date.

If the Grantee proposed Project-Specific Performance or Accountability Measures in response to section A.2.d of the Notice of Funding Opportunity, 82 FR 31135 (July 5, 2017), for funds provided under this Agreement (NOFO), then FRA will list those measures in an Attachment 6 to this Agreement, and the Grantee agrees to comply with those measures.

18. Project Completion and Closeout:

- a. **Final Documentation.** As soon as the funded Project(s) are complete, the Grantee will submit a final SF-425, a final Progress Report, a final Performance Report, and a final payment request. Closeout activities by Grantee, including submission of the referenced documents, must be completed no later than 90 days after the end of the Project Performance Period for this Agreement or the FRA termination date.
- b. **Excess Payments.** If FRA has made payments to the Grantee in excess of the total amount of FRA funding due, the Grantee will promptly remit that excess and interest as may be required by section 21(f) of this Attachment.
- c. **Closeout.** Grantees should begin closeout procedures when their Project(s) is complete. The Project closeout period is complete when all of the following is complete: 1) the required Project work is complete; 2) all administrative procedures described in 2 C.F.R. Part 200 (all sections), as applicable, have been completed; and 3) when FRA either notifies the Grantee of closeout or when FRA acknowledges the Grantee's remittance of a proper refund. Project closeout will not invalidate any continuing obligations imposed on the Grantee by this Agreement, including 2 C.F.R. § 200.344, or by the FRA's final notification or acknowledgment.

19. Transparency Act Requirements—Reporting Subawards and Executive Compensation:

The Grantee will comply with the provisions of the Federal Funding Transparency and Accountability Act of 2006 (Pub. L. 109-282) and 2 C.F.R Part 170, incorporated herein by reference and made part hereof. For more information, visit <https://www.fsrc.gov/>.

20. Recipient Integrity and Performance Matters:

- a. **General Reporting Requirement.** If the total value of the Grantee's currently active grants, cooperative agreements, and procurement contracts from all federal awarding agencies exceeds \$10,000,000 for any period of time during the Project Performance Period, then the Grantee during that period of time must maintain the currency of information reported to the System for Award Management (SAM) that is made available in the designated integrity and performance system (currently the Federal Awardee Performance and Integrity Information System (FAPIIS)) about civil, criminal, or administrative proceedings described in subsection (b) of this section. This is a statutory requirement under section 872 of Public Law 110-417, as amended (41 U.S.C. § 2313). As required by section 3010 of Public Law 111-212, all information posted in the designated integrity and performance system on or after April 15, 2011, except past performance reviews required for federal procurement contracts, will be publicly available.
- b. **Proceedings About Which the Grantee Must Report.**

Submit the information required about each proceeding that:

- 1) Is in connection with the award or performance of a grant, cooperative agreement, or procurement contract from the federal government;
 - 2) Reached its final disposition during the most recent five-year period; and
 - 3) Is one of the following:
 - A criminal proceeding that resulted in a conviction, as defined in subsection (e) of this section;
 - A civil proceeding that resulted in a finding of fault and liability and payment of a monetary fine, penalty, reimbursement, restitution, or damages of \$5,000 or more;
 - An administrative proceeding, as defined in subsection (e) of this section, that resulted in a finding of fault and liability and the Grantee's payment of either a monetary fine or penalty of \$5,000 or more or reimbursement, restitution, or damages in excess of \$100,000; or
 - Any other criminal, civil, or administrative proceeding if:
 - It could have led to an outcome described in subsection (b)(3) of this section;
 - It had a different disposition arrived at by consent or compromise with an acknowledgment of fault on the Grantee's part; and
 - The requirement in this section to disclose information about the proceeding does not conflict with applicable laws and regulations.
- c. Reporting Procedures. Enter in the SAM Entity Management area the information that SAM requires about each proceeding described in section (b) of this section. The Grantee does not need to submit the same information a second time under assistance awards that the Grantee received if the Grantee already provided the information through SAM because the Grantee was required to do so under federal procurement contracts that the Grantee was awarded.
- d. Reporting Frequency. During any period of time when the Grantee is subject to the requirement in subsection (a) of this section, the Grantee must report proceedings information through SAM for the most recent five-year period, either to report new information about any proceeding(s) that the Grantee has not reported previously or affirm that there is no new information to report. Recipients that have federal contract, grant and cooperative agreement awards with a cumulative total value greater than \$10,000,000 must disclose semiannually any information about the criminal, civil, and administrative proceedings.

e. Definitions. For purposes of this section:

- 1) Administrative proceeding means a non-judicial process that is adjudicatory in nature in order to make a determination of fault or liability (*e.g.*, Securities and Exchange Commission Administrative proceedings, Civilian Board of Contract Appeals proceedings, and Armed Services Board of Contract Appeals proceedings). This includes proceedings at the federal and state level but only in connection with performance of a federal contract or grant. It does not include audits, site visits, corrective plans, or inspection of deliverables.
- 2) Conviction, for purposes of this award term and condition, means a judgment or conviction of a criminal offense by any court of competent jurisdiction, whether entered upon a verdict or a plea, and includes a conviction entered upon a plea of *nolo contendere*.
- 3) Total value of currently active grants, cooperative agreements, and procurement contracts includes—
 - Only the federal share of the funding under any federal award with a Grantee; and
 - The value of all expected funding increments under a federal award and options, even if not yet exercised.

Financial Management Provisions

21. Payments:

- a. Request by the Grantee for Payment. The Grantee's request for payment of the Federal Contribution of allowable costs will be made to FRA and will be acted upon by FRA as set forth in this section. For states, payments are governed by Treasury/State CMIA agreements, and default procedures codified at 31 C.F.R. Part 205 "Rules and Procedures for Efficient Federal-State Funds Transfers" and TFM 4A-2000 Overall Disbursing Rules for All Federal Agencies. Non-states must comply with the provisions of 2 C.F.R. §200.305(b). To receive a Federal Contribution payment, the Grantee must:
 - 1) Demonstrate or certify that it has made a binding commitment of the Non-Federal Contribution, if applicable, adequate when combined with the Federal Contribution, to cover all costs to be incurred under the Project as of the date of the request. The Grantee agrees:
 - i. to refrain from requesting reimbursements subject to the limitation at 23 U.S.C. 117(d)(2) that, in aggregate, exceed the "INFRA Grant Amount

Subject to 23 U.S.C. 117(d)(2)” listed in the Approved Project Budget by source;

- ii. to refrain from requesting or obtaining any Federal Contribution that is more than the amount justified by the Non-Federal Contribution that has been provided; and
 - iii. to refrain from taking any action that would cause the proportion of the Federal Contribution at any time to exceed the percentages authorized under this Agreement and 23 U.S.C. §117(j). The phasing or expenditure rate of the Non-Federal Contribution may be temporarily adjusted only to the extent expressly provided in writing by an Authorized Representative of FRA.
- 2) Submit to FRA all financial and progress reports required to date under this Agreement; and
 - 3) Identify the funding source(s) provided under this Project, if applicable, from which the payment is to be derived.
- b. Reimbursement Payment by FRA. Unless otherwise approved by FRA, FRA will disburse funds to the Grantee on a reimbursable basis, whereby the Grantee will be reimbursed for actual expenses incurred and paid, after the submission of complete and accurate invoices and payment records. The Grantee’s request for payment will be made to FRA through the Department of Transportation’s Delphi eInvoicing System and will be acted upon as set forth in this section.
- 1) Delphi eInvoicing System first-time users must obtain access to the System by contacting the Financial Analyst. Additional information on the System can be found at www.dot.gov/cfo/delphi-einvoicing-system.html.
 - 2) Upon receipt of a payment request and adequate accompanying information (invoices in accordance with applicable cost principles), FRA will authorize payment by direct deposit, provided the Grantee: (i) is complying with its obligations under this Agreement; (ii) has satisfied FRA that it needs the requested Federal Contribution for the period covered by the payment request (as identified on the Standard Form 270 Request for Advance or Reimbursement (SF-270)); and (iii) is making adequate and timely progress toward Project completion. If all these circumstances are present, FRA may reimburse allowable costs incurred by the Grantee up to the maximum amount of the Federal Contribution.

The Grantee agrees to give a written, five-day notice to the assigned FRA Grant Manager for any payment request totaling \$50 million or more. Grantees should note that FRA is unable to process single payment requests greater than \$99,999,999. The Grantee agrees to adhere to and impose upon its subrecipients all applicable foregoing "Reimbursement Payment by FRA" requirements of this

Agreement.

If the Grantee fails to adhere to the foregoing "Reimbursement Payment by FRA" requirements of this Agreement, FRA may withhold funding disbursements.

- c. Allowable Costs. FRA will reimburse the Grantee's expenditures, within the Federal Funding Period, only if they meet all of these requirements:
 - 1) Conform to the Project description, the Statement of Work, the Approved Project Budget, and all other terms of this Agreement;
 - 2) Be necessary in order to accomplish the Project;
 - 3) Be reasonable for the goods or services purchased;
 - 4) Be actual net costs to the Grantee (i.e., the price paid minus any applicable credits, refunds, rebates, or other items of value received by the Grantee that have the effect of reducing the cost actually incurred);
 - 5) Be incurred (and be for work performed) within the Project Performance Period, unless specific authorization from FRA to the contrary is received in writing;
 - 6) Unless permitted otherwise by federal statutes or regulation, conform to federal guidelines or regulations and federal cost principles, as set forth in 2 C.F.R. Subpart E § 200.400 – 200.475.
 - 7) Be satisfactorily documented; and
 - 8) Be treated uniformly and consistently under accounting principles and procedures approved and prescribed by FRA for the Grantee, and those approved or prescribed by the Grantee for its subrecipients and contractors.
- d. Disallowed Costs. Disallowed costs include the following:
 - 1) Any Project costs incurred, activities undertaken, or work performed outside of the Project Performance Period, unless specifically authorized by FRA in writing, allowed by this Agreement, or otherwise permitted by federal law or regulation;
 - 2) Any costs incurred by the Grantee that are not included in the latest Approved Project Budget; and
 - 3) Any costs attributable to goods or services received under a contract or other arrangement that is required to be, but has not been, concurred in or approved in writing by FRA.

The Grantee agrees that reimbursement of any cost under this section does not constitute a final FRA decision about the allowability of that cost and does not constitute a waiver of any violation by the Grantee of the terms of this Agreement. The Grantee understands that FRA will not make a final determination about the allowability of any cost until an audit of the Project has been completed. If FRA determines that the Grantee is not entitled to receive any part of the Federal Contribution requested, FRA will notify the Grantee stating the reasons therefor. Project closeout will not alter the Grantee's obligation to return any funds due to FRA as a result of later refunds, corrections, or other transactions. Project closeout will not alter FRA's right to disallow costs and recover funds on the basis of a later audit or other review. Unless prohibited by law, FRA may offset any Federal Contribution to be made available under this Agreement, as needed, to satisfy any outstanding monetary claims that the federal government may have against the Grantee. Exceptions pertaining to disallowed costs will be assessed based on their applicability, as set forth in the applicable federal cost principles or other written federal guidance.

- e. **Bond Interest and Other Financing Costs.** To the extent permitted in writing by FRA and consistent with 2 C.F.R. § 200.449, bond interest and other financing costs are allowable.
- f. **Requirement to Remit Interest.** The Grantee agrees that any interest earned by the Grantee on the Federal Contribution must be handled in accordance with 2 C.F.R. § 200.305, and remittance back to the federal government must be made in accordance with the provisions thereof.

22. Accounting Procedures:

- a. **Project Accounts.** The Grantee will establish and maintain for the Project either a separate set of accounts or accounts within the framework of an established accounting system, in a manner consistent with 2 C.F.R. §§ 200.302, 200.303, and 200.305.
- b. **Funds Received or Made Available for the Project.** Grantees other than states will follow the provisions of 2 C.F.R. § 200.305(b)(7) with respect to the use of banks and other institutions as depositories of any advance payments that may be received under this Agreement. States will follow the provisions of 2 C.F.R. § 200.305(a).
- c. **Documentation of Project Costs and program income.** All costs charged to the Project, including any approved services contributed by the Grantee or others, will be supported by properly executed payrolls, time records, invoices, contracts, or vouchers describing in detail the nature and propriety of the charges. The Grantee will also maintain accurate records of all program income derived from Project implementation.

- d. Checks, Orders, and Vouchers. The Grantee will ensure that all checks, payrolls, invoices, contracts, vouchers, orders, or other accounting documents pertaining in whole or in part to the Project are clearly identified with a Grant Agreement number, readily accessible, and, to the extent feasible, kept separate from documents not pertaining to the Project.

23. Program Income:

The Grantee is encouraged to earn income to defray Project costs, where appropriate, and should work with the assigned FRA Grant Manager to determine how this income may be applied to the grant, in accordance with 2 C.F.R § 200.307 and 2 C.F.R. § 1201.80. Program income not deducted from total allowable costs may be used only for the purposes and under the terms and conditions established in this Agreement. Records of program income should be maintained consistent with subsection 22(c) of this Attachment.

Project Management Provisions

24. Environmental Protection:

- a. Grantee Assistance. Grantees must comply with the governing laws and regulations referenced in this Attachment and may also be required to assist with FRA's compliance with applicable Federal laws, regulations, executive orders, and policies related to environmental review under the National Environmental Policy Act (NEPA), 42 U.S.C. § 4321 *et seq.*, and its implementing regulations (40 C.F.R. Part 1500 *et seq.*); FRA's "Procedures for Considering Environmental Impacts" (45 Fed. Reg. 40854, June 16, 1980), as revised May 26, 1999, 64 Fed. Reg. 28545, and as updated in 78 FR 2713, January 14, 2013) or 23 C.F.R. Part 771, as applicable; Section 106 of the National Historic Preservation Act (NHPA) (54 U.S.C. § 300101 *et seq.*) and its implementing regulations (36 C.F.R. Part 800); Executive Order No. 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations; Section 4(f) of the Department of Transportation Act of 1966 (49 U.S.C. § 303(c)), and its implementing regulations (23 C.F.R. Part 774). In providing such assistance, FRA may require that the Grantee conduct environmental and/or historic preservation analyses and to submit documentation to FRA.
- b. Timing of Grantee Action. The Grantee may not expend any of the funds provided in this Agreement on construction activities or other activities that represent an irretrievable commitment of resources to a particular course of action affecting the environment until FRA has provided the Grantee with a written notice authorizing the Grantee to proceed. See 23 C.F.R. 771.113(a).
- c. Minimization, Avoidance and Mitigation Measures. The Grantee must implement all measures to minimize, avoid, or mitigate adverse environmental impacts identified by

FRA in the categorical exclusion, Finding of No Significant Impact, or Record of Decision for the Project. The Grantee must also implement any additional measures identified through all other environmental or historic preservation review processes conducted to support Project construction and operation (e.g., any commitments included in a Memorandum of Agreement executed pursuant to Section 106 of the NHPA).

- d. Revisions to Minimization, Avoidance or Mitigation Measures. The Grantee must provide FRA with written notice if it has not, or cannot, implement any of the minimization, avoidance or mitigation measures identified in subsection (c). Upon receiving such notice, FRA will provide the Grantee direction in writing, which may include substitute mitigation measures. FRA may also revise its categorical exclusion, Finding of No Significant Impact, or Record of Decision.

25. Property, Equipment and Supplies:

Unless otherwise approved by FRA, the following terms and conditions apply to property, equipment, and supplies funded under this Agreement:

- a. General Federal Requirements. The Grantee will comply with the property management standards of 2 C.F.R. §§ 200.310 through 200.316, including any amendments thereto, and other applicable guidelines or regulations. Exceptions to the requirements must be specifically approved by FRA in writing. The Grantee will use Project real property, as defined by 2 C.F.R. § 200.85, in accordance with the Property Standards of 2 C.F.R. § 200.211. Notwithstanding 2 C.F.R. § 200.313, subrecipients of states will comply with 2 C.F.R. § 1201.313 with respect to the use, management and disposal of equipment acquired under this Agreement.
- b. Maintenance. The Grantee agrees to maintain the Project property and equipment in good operating order, and in accordance with any guidelines, directives, or regulations that FRA may issue.
- c. Records. The Grantee agrees to keep satisfactory records with regard to the use of the property, equipment, and supplies, and submit to FRA, upon request, such information as may be required to assure compliance with this section.
- d. Transfer of Project Property, Equipment or Supplies. The Grantee agrees that FRA may require the Grantee to transfer title to, or direct the disposition of, any property, equipment, or supplies financed with FRA assistance made available by this Agreement, as required by 2 C.F.R. §§ 200.311 – 200.316.
- e. Withdrawn Property, Equipment or Supplies. If any Project property, equipment, or supplies are not used for the Project for the duration of their useful lives, as determined by FRA, whether by planned withdrawal, misuse or casualty loss, the Grantee agrees to notify FRA immediately. Disposition of withdrawn property, equipment, or supplies will be in accordance with 2 C.F.R. §§ 200.311 – 200.316.

- f. Encumbrance of Project Property or Equipment. Unless expressly authorized in writing by FRA, the Grantee agrees not to:
- 1) Execute any transfer of title, lease, lien, pledge, mortgage, encumbrance, contract, grant anticipation note, alienation, or other obligation that in any way would dispose of or encumber the Grantee's title or other interest in any Project property or equipment; or
 - 2) Obligate itself in any manner to any third party with respect to Project property or equipment. The Grantee will refrain from taking any action or acting in a manner that would adversely affect FRA's interest or impair the Grantee's continuing control over the use of Project property or equipment.

26. Relocation and Land Acquisition:

The Grantee agrees to comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, 42 U.S.C. §§ 4601 *et seq.* and the U.S. DOT implementing regulations, 49 C.F.R. Part 24.

27. Flood Hazards:

The Grantee agrees to comply with the flood insurance purchase requirements of section 102(a) of the Flood Disaster Protection Act of 1973, 42 U.S.C. § 4012a(a), with respect to any construction or acquisition project.

28. Procurement:

- a. Federal Standards. The Grantee may acquire property, goods or services in connection the Project. If the Grantee is a state, then it will use its own procurement procedures that reflect applicable state laws and regulations in compliance with 2 C.F.R. § 200.317. A subrecipient of a state will follow such policies and procedures allowed by that state when procuring property and services under this award consistent with 2 C.F.R. § 1201.317, notwithstanding 2 C.F.R. § 200.317. An entity that is not a state or a subrecipient will comply with 2 C.F.R. §§ 200.318 – 200.326, and applicable supplementary U.S. DOT or FRA directives and regulations. If determined necessary for proper Project administration, FRA reserves the right to review the Grantee's technical specifications and requirements.
- b. Cargo Preference -- Grantee will comply with the U.S. DOT Maritime Administration regulations, 46 C.F.R. Part 381 as follows:
 - 1) Use of United States-flag vessels:
 - Pursuant to Pub. L. 664 (43 U.S.C. 1241(b)) at least 50 percent of any equipment, materials or commodities procured, contracted for or otherwise obtained with funds granted, guaranteed, loaned, or advanced by the U.S. Government under this Agreement, and which may be transported by ocean vessel, will be transported on privately owned United States-flag commercial vessels, if available.
 - Within 20 days following the date of loading for shipments originating within the United States or within 30 working days following the date of loading for shipments originating outside the United States, a legible copy of a rated, 'on-board' commercial ocean bill-of-lading in English for each shipment of cargo described in paragraph (a)(1) of this section will be furnished to both the Contracting Officer (through the prime contractor in the case of subcontractor bills-of-lading) and to the Division of National Cargo, Office of Market Development, Maritime Administration, Washington, DC 20590.

- 2) The Grantee will insert the following clauses in contracts let by the Grantee in which equipment, materials or commodities may be transported by ocean vessel in carrying out the Project.

“Use of United States-flag vessels: The contractor agrees -

- 1) To utilize privately owned United States-flag commercial vessels to ship at least 50% of the gross tonnage (computed separately for dry bulk carriers, dry cargo liners, and tankers) involved, whenever shipping any equipment, materials, or commodities pursuant to this contract to the extent such vessels are available at fair and reasonable rates for United States-flag commercial vessels.
- 2) To furnish within 20 days following the date of loading for shipments originating within the United States, or within 30 working days following the date of loading for shipment originating outside the United States, a legible copy of a rated, “on-board” commercial ocean bill-of-lading in English for each shipment of cargo described in subsection (1) above to the recipient (through the prime contractor in the case of subcontractor bills-of lading) and to the Division of Cargo Preference and Domestic Trade, Maritime Administration, 1200 New Jersey Avenue, SE, Washington, D.C. 20590, marked with appropriate identification of the Project.
- 3) To insert the substance of the provisions of this clause in all subcontracts issued pursuant to this contract.”

- c. Notification Requirement. With respect to any procurement for goods and services (including construction services) having an aggregate value of \$500,000 or more, the Grantee agrees to:

- 1) specify in any announcement of the awarding of the contract for such goods or services the amount of Federal Contribution that will be used to finance the acquisition; and
- 2) express said amount as a percentage of the total costs of the planned acquisition.

- d. Debarment and Suspension; and Drug-Free Work Place. The Grantee agrees to obtain certifications on debarment and suspension from its third-party contractors and subrecipients and otherwise comply with U.S. DOT regulations, Nonprocurement Suspension and Debarment, 2 C.F.R. Part 1200, and Government-wide Requirements for Drug-Free Workplace (Grants), 49 C.F.R. Part 32.

- e. Reserved.

29. Rights in Intangible Property:

- a. Title to Intangible Property. Intangible property, as defined in 2 C.F.R. § 200.59, acquired in the performance of this Agreement vests upon acquisition in the Grantee. The Grantee must use that property for the originally-authorized purpose, and must not encumber the property without approval of FRA. When no longer needed for the originally-authorized purpose, disposition of the intangible property must occur in accordance with the provisions of 2 C.F.R. § 200.313(e).
- b. Copyright. The Grantee may copyright any work that is subject to copyright and was developed or for which ownership was acquired under this Agreement. FRA reserves a royalty-free, nonexclusive and irrevocable right to reproduce, publish, or otherwise use the work for Federal purposes, and to authorize others to do so.
- c. Patents. The following provisions will apply to patents under this Agreement:
 - 1) The Grantee is subject to applicable regulations governing patents and inventions, including government-wide regulations issued by the Department of Commerce at 37 C.F.R. Part 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Awards, Contracts and Cooperative Agreements”.
 - 2) If the Grantee secures a patent with respect to any invention, improvement, or discovery of the Grantee or any of its subrecipients or contractors conceived or first actually reduced to practice in the course of or under this Project, the Grantee agrees to grant to FRA a royalty-free, nonexclusive, and irrevocable license to use and to authorize others to use the patented device or process for Federal purposes.
- d. Research Data. For any research data (as defined in 2 C.F.R. § 200.315(e)(3)) acquired under a grant or contract, FRA has the right to:
 - 1) Obtain, reproduce, publish, or otherwise use the research data produced under this Agreement; and
 - 2) Authorize others to receive reproduce, publish, or otherwise use such data.
- e. Freedom of Information Act (FOIA). Responding to a FOIA request under this Agreement will be handled in accordance with the provisions of 2 C.F.R. § 200.315(e), including any definitional provisions set forth therein. The “Federal awarding agency” is FRA, and the “non-Federal entity” is the Grantee for purposes of this clause.

30. Acknowledgment of Support and Disclaimer:

- a. Acknowledgement and Disclaimer. An acknowledgment of FRA support and a disclaimer of said support must appear in any Grantee publication developed under a research and development grant, or any other product based on or developed under the Agreement as directed by FRA, whether copyrighted or not, in the following terms:
 - 1) “This material is based upon work supported by the Federal Railroad Administration under [Grant/Cooperative Agreement number], [date of award].”
 - 2) “Any opinions, findings, and conclusions or recommendations expressed in this publication are those of the author(s) and do not necessarily reflect the view of the Federal Railroad Administration and/or U.S. DOT.”
- b. Signs. The Grantee is encouraged to erect at the site of any construction, and to maintain during construction, signs identifying the Project and indicating that FRA is participating in the development of the Project.

31. Reprints of Publications:

At such time as any article resulting from work under this Agreement is published in a scientific, technical, or professional journal or publication, two reprints of the publication should be sent to the FRA Grant Manager, clearly referenced with the appropriate identifying information.

Documentation and Oversight Provisions

32. Record Retention:

During the course of the Project and for three years after notification of grant closeout, the Grantee agrees to retain intact and to provide any data, documents, reports, records, contracts, and supporting materials relating to the Project as FRA may require. In cases where litigation, a claim, or an audit is initiated prior to the expiration of the record retention period, records must be retained until completion of the action and resolution of issues or the end of the record retention period, whichever is later. Reporting and record-keeping requirements are set forth in 2 C.F.R. §§ 200.333 – 200.337. Project closeout does not alter these requirements.

33. Audit and Inspection.

- a. General Audit Requirements. The Grantee will comply with all audit requirements of 2 C.F.R. §§ 200.500 – 200.512.
- b. Inspection by Federal Officials. The Grantee agrees to permit the Secretary and the Comptroller General of the United States, or their Authorized Representatives, to inspect all Project work, materials, payrolls, and other data, and to audit the books, records, and accounts of the Grantee and its contractors and subrecipients pertaining to the Project.

34. Fraud, Waste or Abuse:

The Grantee agrees to take all steps, including initiating litigation, if necessary, to recover the Federal Contribution if the FRA determines, after consultation with the Grantee, that all or a portion of such funds have been spent fraudulently, wastefully, or in violation of Federal laws, or misused in any manner in undertaking the Project.

35. Site Visits:

FRA, through its Authorized Representatives, has the right, at all reasonable times, to make site visits to review Project activities, accomplishments, and management control systems and to provide such technical assistance as may be required. If any site visit is made by FRA under this Agreement on the premises of the Grantee, contractor, beneficiary or subrecipient, the Grantee will provide, or will ensure the provision of all reasonable facilities and assistance for the safety and convenience of FRA representatives in the performance of their duties. All site visits and evaluations will be performed in such a manner as will not unduly delay work being conducted by the Grantee or any subrecipient.

36. Safety Compliance:

- a. To the extent applicable, the Grantee agrees to comply with any Federal regulations, laws, or policy and other guidance that FRA or U.S. DOT may issue pertaining to safety in general, and in the performance of this Agreement, in particular.
- b. U.S. DOT has determined that Section F.2.a of the NOFO does not apply [to this Project because it is for improvements on or for a railroad].

37. Electronic and Information Technology:

The Grantee agrees that reports or information it provides to or on behalf of FRA will use electronic or information technology that complies with the accessibility requirements of Section 508 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 794d, and “Electronic and Information Technology Accessibility Standards,” 36 C.F.R. Part 1194.

Other Legislative and Regulatory Provisions

38. Reserved.

39. Ethics:

- a. **Standards of Conduct.** The Grantee will maintain a written code or standards of conduct governing the performance of its officers, employees, board members, or agents engaged in the award and administration of contracts or agreements supported by the Federal Contribution provided through this Agreement. The code or standards will provide that the Grantee's officers, employees, board members, or agents may neither solicit nor accept gratuities, favors, or anything of monetary value from present or potential subrecipients or contractors. The Grantee may set minimum rules where the financial interest is not substantial or the gift is an unsolicited item of nominal intrinsic value. As permitted by state or local law or regulations, such code or standards will provide for penalties, sanctions, or other disciplinary actions for violations by the Grantee's officers, employees, board members, or agents, or by subrecipients or their agents.
 - 1) **Personal Conflict of Interest.** The Grantee's code or standards must provide that no employee, officer, board member, or agent of the Grantee may participate in the selection, award, or administration of a contract supported by the Federal Contribution if a real or apparent conflict of interest would be involved. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.
 - 2) **Organizational Conflicts of Interest.** The Grantee's code or standards of conduct must include procedures for identifying and preventing real and apparent organizational conflicts of interests. An organizational conflict of interest exists when the nature of the work to be performed under a proposed contract, may, without some restrictions on future activities, result in an unfair competitive advantage to the contractor or impair the contractor's objectivity in performing the contract work.
- b. **Existing Codes or Standards.** This section does not require the Grantee to implement a new code or standards of conduct where a state statute, or written code or standards of conduct, already effectively covers all of the elements of Section 38(a) of this Attachment.

40. Civil Rights:

The Grantee agrees to comply with all civil rights laws and regulations, in accordance

with applicable Federal directives. These include, but are not limited to, the following: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352), as amended, 42 U.S.C. § 2000d *et seq.*, the DOT Title VI regulations at 49 C.F.R. part 21, which prohibits discrimination on the basis of race, color or national origin; (b) the Americans with Disabilities Act, as amended, 42 U.S.C. § 12101 *et seq.*, the DOT ADA regulations at 49 C.F.R. parts 37-38, section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794), and the DOT regulations at 49 C.F.R. part 27, which prohibits discrimination on the basis of disability; (c) the Age Discrimination in Employment Act, as amended (42 U.S.C. §§ 621 – 634), and the Age Discrimination Act of 1975, as amended (42 U.S.C. §§ 1601-1607), which prohibits discrimination on the basis of age; (d) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. § 1681 *et seq.*), which prohibits discrimination on the basis of sex; (e) 49 U.S.C. § 306, which prohibits discrimination on the basis of race, color, national origin, or sex in railroad financial assistance programs; (f) any nondiscrimination regulation implemented relating to the above stated statutes; (g) any nondiscrimination Executive Order implemented relating to the above stated statutes; (h) any U.S. DOT Order implemented relating to nondiscrimination, and (i) any other applicable federal laws, regulations, requirements, and guidance prohibiting discrimination.

41. SAM Registration and DUNS Number:

The Grantee is responsible for maintaining an active SAM Registration and Data Universal Numbering System (DUNS) Number and ensuring that all SAM/DUNS information is current throughout the lifecycle of this Agreement, in accordance with 2 C.F.R. § 25.200(a)(2). If SAM/DUNS information becomes inactive, expired, or incorrect, the Grantee will not be able to do any grant-related business with FRA, including the obligation and/or payment of Federal grant funds, and FRA may take appropriate action to terminate this Agreement, in accordance with the terms of this Agreement.

42. Freedom of Information Act:

The FRA is subject to the Freedom of Information Act (FOIA). The Grantee should, therefore, be aware that all applications and related materials submitted by the Grantee related to this Agreement will become agency records and thus are subject to FOIA and to public release through individual FOIA requests.

43. Text Messaging While Driving:

The Grantee is encouraged to adopt and enforce workplace safety policies to decrease crashes caused by distracted drivers including policies that bar text messaging while driving company-owned or –rented vehicles, or government-owned, leased, or rented vehicles or privately-owned vehicles when on official government business or when performing any work for or on behalf of the government. *See* Executive Order 13513 “Federal Leadership on Reducing Text Messaging While Driving,” Oct. 1, 2009 (available at <http://www.gpo.gov/fdsys/pkg/FR-2009-10-06/pdf/E9-24203.pdf>) and DOT Order 3902.10 “Text Messaging While Driving,” Dec. 30, 2009, as implemented by Financial Assistance Policy Letter (No. FAP- 2010-01, Feb. 2, 2010, available at http://www.dot.gov/sites/dot.dev/files/docs/FAPL_2010-01.pdf). This includes, but is not limited to, the Grantee:

- considering new rules and programs or re-evaluating existing programs to prohibit text messaging while driving;
- conducting education, awareness, and other outreach for employees about the safety risks associated with texting while driving; and
- encouraging voluntary compliance with the agency’s text messaging policy while off duty.

The Grantee is encouraged to insert the substance of this clause in all assistance awards.

Where a Grantee is located within a state that already has enacted legislation regarding texting while driving, that state’s law controls and the requirements of this section will not apply to or be a part of this Agreement.

44. Trafficking in Persons:

- a. Provisions applicable to a recipient that is a private entity.
 - 1) You as the recipient, your employees, subrecipients under this award, and subrecipients’ employees may not—
 - i. Engage in severe forms of trafficking in persons during the period of time that the award is in effect;
 - ii. Procure a commercial sex act during the period of time that the award is in effect; or
 - iii. Use forced labor in the performance of the award or subawards under the award.

- 2) We as the Federal awarding agency may unilaterally terminate this award, without penalty, if you or a subrecipient that is a private entity —
 - i. Is determined to have violated a prohibition in paragraph a.1 of this award term; or
 - ii. Has an employee who is determined by the agency official authorized to terminate the award to have violated a prohibition in paragraph a.1 of this award term through conduct that is either—
 - a) Associated with performance under this award; or
 - b) Imputed to you or the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 C.F.R. part 180, “OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement),” as implemented by our agency at 2 C.F.R. part 1200.
- b. Provision applicable to a recipient other than a private entity. We as the Federal awarding agency may unilaterally terminate this award, without penalty, if a subrecipient that is a private entity—
 - 1) Is determined to have violated an applicable prohibition in paragraph a.1 of this award term; or
 - 2) Has an employee who is determined by the agency official authorized to terminate the award to have violated an applicable prohibition in paragraph a.1 of this award term through conduct that is either—
 - a) Associated with performance under this award; or
 - b) Imputed to the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 C.F.R. part 180, “OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement),” as implemented by our agency at 2 C.F.R. part 1200.
- c. Provisions applicable to any recipient.
 - 1) You must inform us immediately of any information you receive from any source alleging a violation of a prohibition in paragraph a.1 of this award term.
 - 2) Our right to terminate unilaterally that is described in paragraph a.2 or b of this section:
 - i. Implements section 106(g) of the Trafficking Victims Protection Act of

2000 (TVPA), as amended (22 U.S.C. § 7104(g)), and

ii. Is in addition to all other remedies for noncompliance that are available to us under this award.

- 3) You must include the requirements of paragraph a.1 of this award term in any subaward you make to a private entity.

d. Definitions. For purposes of this award term:

- 1) “Employee” means either:

i. An individual employed by you or a subrecipient who is engaged in the performance of the project or program under this award; or

ii. Another person engaged in the performance of the project or program under this award and not compensated by you including, but not limited to, a volunteer or individual whose services are contributed by a third party as an in-kind contribution toward cost sharing or matching requirements.

- 2) “Forced labor” means labor obtained by any of the following methods: the recruitment, harboring, transportation, provision, or obtaining of a person for labor or services, through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery.

- 3) “Private entity”:

i. Means any entity other than a State, local government, Indian tribe, or foreign public entity, as those terms are defined in 2 C.F.R. § 175.25.

ii. Includes:

(a) A nonprofit organization, including any nonprofit institution of higher education, hospital, or tribal organization other than one included in the definition of Indian tribe at 2 C.F.R. § 175.25(b).

(b) A for-profit organization.

- 4) “Severe forms of trafficking in persons,” “commercial sex act,” and “coercion” have the meanings given at section 103 of the TVPA, as amended (22 U.S.C. § 7102).

- 5) “Recipient” and “subrecipient” include for-profit entities for the purpose of this award term only.

PART IV. GOVERNING LAWS AND REGULATIONS

45. Governing Laws and Regulations:

a. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. The Grantee acknowledges and agrees that its performance will be governed by and in compliance with this Agreement, 2 C.F.R. §§ 200 – 200.521, including Appendices I – XI, and DOT’s implementing regulations at 2 C.F.R. Part 1201.

b. Application of Federal, State, and Local Laws and Regulations.

- 1) Federal Laws and Regulations. The Grantee understands that Federal laws, regulations, policies, and related administrative practices in place on the date this Agreement was executed may be modified from time to time. The Grantee agrees that the most recent of such Federal requirements will govern the administration of this Agreement at any particular time, except if there is sufficient evidence in this Agreement of a contrary intent. Likewise, new Federal laws, regulations, policies and administrative practices may be established after the date the Agreement has been executed and may apply to this Agreement. To achieve compliance with changing federal requirements, the Grantee agrees to include in all subawards and contracts financed with all or part of the Federal Contribution or Non-Federal Contribution under this Agreement, specific notice that Federal requirements may change and the changed requirements will apply to the Project, as required. All limits or standards set forth in this Agreement to be observed in the performance of the Project are minimum requirements.
- 2) State, Territorial Law and Local Law. Except to the extent that a Federal statute or regulation preempts state, territorial, or local law, nothing in this Agreement will require the Grantee to observe or enforce compliance with any provision thereof, perform any other act, or do any other thing in contravention of any applicable state, territorial, or local law; however, if any of the provisions of this Agreement violate any applicable state, territorial, or local law, or if compliance with the provisions of this Agreement would require the Grantee to violate any applicable state, territorial, or local law, the Grantee agrees to notify the FRA immediately in writing in order that FRA and the Grantee may make appropriate arrangements to proceed with the Project.
- 3) The Grantee is required to comply with all applicable Federal laws, regulations, executive orders, policies, guidance, and requirements as they relate to the application, acceptance, and/or use of funds under this Agreement which may include, but are not limited to those referenced in this Agreement.

c. Environmental Protection. In addition to complying with other environmental protection requirements described in this Attachment, the Grantee will ensure that all work conducted under this Agreement complies with all applicable laws, regulations, executive orders, and policies related to environmental protection and historic preservation, including, but not limited to: Section 114 of the Clean Air Act (42 U.S.C. § 7414); and Section 308 of the Federal Water Pollution Control Act (33 U.S.C. § 1318).

d. Fixing America's Surface Transportation Act, section 1105 (23 U.S.C. § 117).

Attachment 2

STATEMENT OF WORK

Southeast Arkansas Economic Development District, Inc.

Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project

Nationally Significant Freight and Highway Projects (INFRA) Program, Fiscal Year 2019

I. AUTHORITY

Authorization	23 U.S.C. § 117(c)(1)(E) and (d)(1)(A)(iii)
Funding Authority/Appropriation	Contract authority in FAST Act Sec. 1101(a)(5), Pub. L. 114-94 (December 4, 2015)
Notice of Funding Opportunity	Nationally Significant Freight and Highway Projects (Infrastructure for Rebuilding America (INFRA) Grants) for Fiscal Year 2019; 83 FR 65789; Dec. 21, 2018

To the extent there is a conflict between Attachment 1 and this Attachment 2, Attachment 1 governs.

II. BACKGROUND

This Agreement between the Federal Railroad Administration (FRA) and the Southeast Arkansas Economic Development District (“SEAEDD” or “Grantee”) provides \$10,516,259 (“Federal Contribution” or “INFRA grant”), which, when combined with \$10,861,267 in matching funds, will fund the partial redevelopment of a multimodal freight corridor, through a mixture of rail rehabilitation, railroad bridge upgrades, and new rail infrastructure improvements (together and as further described herein and in the tasks below, the “Project”), which is located along a 91.3-mile continuous short line railroad corridor known as the McGehee-Tallulah Railroad Corridor, that parallels the Mississippi River, between the city of McGehee in rural southeast Arkansas on the northern end and the city of Tallulah in rural northeast Louisiana on the southern end (the “Corridor”).

The Project is a unique public-private partnership between the Grantee, which is a state economic development agency, two public ports (Lake Providence Port, Madison Parish Port), and two private short line railroads (North Louisiana & Arkansas Railroad (NLA) and Delta

Southern Railroad¹ (DSR)) (collectively “Project Partners”). The McGehee-Tallulah Railroad Corridor was developed in the early 1900s. It connects to two Class I railroads with regional and national connections: The Union Pacific Railroad (UP) in McGehee, AR, and the Kansas City Southern Railway (KCS) in Tallulah, LA. At points within the Corridor, the rail line is connected to local short line railroad Arkansas Midland Railroad in McGehee, AR; and the NLA and DSR connect with each other in Lake Providence, LA.

Much of the Corridor had been closed or underutilized for approximately 15 years, which is consistent with the overall economic decline of the region. During this period, there was a decrease in demand for freight rail service. Eventually, rail service ceased due to difficulties operating over substandard rail infrastructure, and DSR filed to abandon the majority of the rail corridor from Lake Providence Port northward to McGehee due to unprofitability.

In an effort to save the corridor from abandonment, the Grantee, NLA, DSR and the Lake Providence Port Commission (owner of Lake Providence Port) acquired various segments of the Corridor from UP between 1989 and 2011. Their goal was to preserve rail service to spur economic development and to provide transportation connectivity with the Class I railroads. Portions of the rail line were partially rehabilitated by the Grantee and its partners and placed back into continuous service in 2016. Although partially rehabilitated, some of the track on the main line is comprised of the original lightweight rail of 85 pounds (lb.) and is classified as FRA “Excepted” Track limiting train operations to less than 10 miles per hour (mph). Other portions include 115 lb. rail updated to Class 1 Track (max. speed is 10 mph) and Class 2 Track (max. speed is 25 mph). Furthermore, some of the railroad bridges have a load rating of 263,000 lb. and cannot support 286,000 lb. freight cars. These conditions and constraints of the existing legacy tracks and railroad bridges provide impediments to accommodating loaded freight cars with a maximum allowable gross weight of 286,000 lbs. along the entire Corridor.

III. OBJECTIVE

The objective of the Project is to upgrade the Corridor and its connecting branch lines to two ports to improve rail operations, and leverage recent rehabilitation investments and construction of new infrastructure to benefit a rural region and help catalyze greater opportunities for economic development. This will be accomplished through the rehabilitation of track and railroad bridges, and the construction of new track in certain areas.

Project benefits include:

- Enhanced railroad transportation operating capacity, efficiency, and safety
- Improved rail access/connectivity and capacity
- Enhanced economic development through additional rail business opportunity throughout the entire corridor

IV. PROJECT LOCATION

¹ As of the date of this Agreement, Delta Southern Railroad is negotiating the sale of its portion of the railroad mainline to be improved under this Agreement.

The Project limits are milepost (MP) 408.9 on the north end (McGehee, AR) to MP 500.2 in Tallulah, LA (MP 454.8 is the Arkansas-Louisiana State Line). The Project is located in Desha and Chicot Counties in Arkansas, and in East Carroll and Madison Parishes in Louisiana.

The Grantee organized the Corridor into the following four segments: Segment A (MP 408.9 to MP 433.0); Segment B (MP 433.0 to MP 454.8); Segment C (MP 454.8 to MP 471.0); and Segment D (MP 471.0 to MP 500.2).

V. DESCRIPTION OF WORK

Task 1: Project Administration

Project Administration includes such work that is necessary for the Grantee to oversee the management of this Project, including grant administration activities.

The Grantee will prepare a Detailed Project Work Plan, Budget, and Schedule for the following tasks, which may result in amendments to this Agreement. The Detailed Project Budget will be consistent with the Approved Project Budget but will provide a greater level of detail. The Detailed Project Work Plan will describe, in detail, the activities and steps necessary to complete the tasks outlined in the Statement of Work. The Detailed Project Work Plan will also include information about the project management approach (including team organization, team decision-making, roles and responsibilities and interaction with FRA), as well as address quality assurance and quality control procedures. In addition, the Detailed Project Work Plan will include the Project Schedule (with Grantee and agency review durations), a detailed Project Budget, and the anticipated National Environmental Policy Act (NEPA) class of action. The Grantee will also submit a copy of its executed Project agreements governing the Project delivery roles and responsibilities between the Grantee and the Project Partners. The Detailed Project Work Plan, Budget, and Schedule will be reviewed and approved by the FRA.

The Grantee acknowledges that work on subsequent tasks will not commence until the Detailed Project Work Plan, Budget, and Schedule has been completed, submitted to FRA, and the Grantee has received approval in writing from FRA. The FRA will not reimburse the Grantee for costs incurred in contravention of this requirement unless otherwise notified by FRA.

The Grantee will complete reports described in Attachment 1 and perform the close-out process for the Project. The closeout process includes making the final checks on contractor work, if applicable, collecting and checking final documentation, making final payment, and submitting a final performance report, along with other final reports as required under this Agreement, to the FRA within 90 days of the Project Performance Period end date. The Final Performance Report will describe the cumulative activities of the project, including a complete description of the Grantee's achievements with respect to the project objectives and milestones, overall budget/financial status, benefits obtained from the grant, and service outcomes.

Task 1 Deliverables:

- Detailed Project Work Plan, Budget, and Schedule

- SEAEDD - Project Partners project agreement
- Final Performance Report

Task 2: Environmental Review

The Grantee will complete, and submit to FRA for approval, the documentation FRA determines is necessary to comply with the NEPA and related environmental laws (collectively, “environmental documentation”). Upon request from FRA, the Grantee will submit a Project description, appropriate Project maps, or any other relevant background information, which will later be incorporated into the NEPA documentation. This information may be submitted with the Detailed Project Work Plan described in Task 1 above. FRA will use this documentation to provide the Grantee with additional direction regarding the required environmental documentation. The Grantee will submit an environmental review schedule for the completion of the environmental documentation. Once FRA accepts the environmental schedule, the Grantee will complete all required environmental documentation that covers all Project components in Segments A - D.

Task 2 Deliverables:

- Environmental review schedule
- Draft NEPA documentation
- Final NEPA documentation
- Environmental Permits, if applicable

Task 3: Engineering Design

- Subtask 3a: Track chart package for tie installation
The Grantee will prepare the Detailed Project Work Plan, track charts, maps, or tables that identify the limits of work where the tie replacement will be done; and track standards that show the railroad’s typical tie spacing and spiking patterns. The Grantee will update the Detailed Project Work Plan with the as-built information post-installation, as necessary.
- Subtask 3b: Track chart package for rail replacement
The Grantee will prepare the Detailed Project Work Plan, track charts, maps, or tables that identify the limits of work where the rail replacement will be done; and track standards that show the railroad’s typical tie spacing and spiking patterns. The Grantee will update the Detailed Project Work Plan with the as-built information post-installation, as necessary.
- Subtask 3c: Final Design Package for Rehabilitation of Railroad Bridges

Since the proposed railroad bridge improvements will be in-kind² repairs, the Grantee will submit the Final Design Package for Rehabilitation of Railroad Bridges including the scope component and specifications of the Request(s) for Bid that provides bidders the necessary information to develop a cost estimate and schedule.

- Subtask 3d: Preliminary Engineering Design for new tracks

The Grantee will complete the following for FRA approval:

- Provide scaled maps or scaled aerial photography of existing conditions at a scale of one inch = 100 to 500 feet depending on complexity of location.
- Prepare 30% preliminary engineering design plan drawings overlaid on maps/photography showing, as applicable, existing right-of-way limits along with railroad ownership; topography; design criteria and specifications; proposed track changes including removals and installations; track centers, track speeds, turnout sizes curve and spiral data; vertical profiles and grades of existing and proposed construction; typical cross sections to scale showing the proposed work to existing conditions for each change in track configuration and at other locations requiring retaining walls or right-of-way acquisitions; and public and private at-grade crossings with signal locations, if applicable.
- Prepare a Basis of Design Report (BOD) that describes the technical approach planned for the project as well as the design parameters to be used. The BOD includes: the applicable government laws and regulations; process specifications; owner's standard specifications and details; industry codes and standards; and contractor specifications, which are listed in the order of precedence in case of conflict in requirements. Prepare project specifications that contain the written instructions for constructing all of the project work, outlining in detail a description of the work, materials, construction methods, method of measurement, basis of payment, and the pay item for each item of work involved in the contract. The Project specifications should include: standard specifications, supplemental specifications, developmental specifications, special specifications and reference specifications.
- Ensure that design submittals include a title sheet and/or transmittal letter identified with a drawing revision number or date; an index identifying various plan sheets comprising the drawing set; a legend of symbols or abbreviations.

² In-kind repairs mean that new materials used in repairs or replacements match the material being replaced in composition, design, color, texture, and other visual and material properties. Substitute materials should be used only on a limited basis and only when they will match the appearance and general properties of the historic material and will not damage the historic property.

- Obtain signature approval of the engineering plans cover sheet by all appropriate stakeholders (Madison Parish Port, Port of Lake Providence, DSR, and NLA, as appropriate) impacted by the proposed track configuration plan. And, the cover sheet should be stamped by a professionally licensed engineer in the state of Louisiana.
 - Preliminary Engineering Package submitted to FRA should include design plans (30% design level), design specifications, BOD report, and the engineer's cost estimate and construction schedule.
- Subtask 3e: 100% Final Design for new tracks
The Grantee will advance the 30% PE design to 100% Final Design and submit to FRA for acceptance. The deliverable for this task will be 100% Final Design Package for New Track which will include design plans, updated BOD report, as appropriate, updated engineer's cost estimate and construction schedule.

The engineering plans cover sheet will include signatures from all appropriate stakeholders (Madison Parish Port Commission, Port of Lake Providence, DSR, as appropriate) impacted by the proposed track configuration plan. And, the cover sheet should be stamped by a professionally licensed engineer in the state of Louisiana.

Task 3 Deliverables:

- Final Design Package for Rehabilitation of Railroad bridges
- Preliminary Engineering Package for new tracks
- Final Design Package for new tracks

Task 4: Construction

The Grantee will complete the construction activities, as described in the Detailed Project Work Plan and in Subtasks 4a and 4b, within the Corridor.

Subtask 4a: Track Construction

- Segment A (MP 408.9 to MP 433.0):
 - Rehabilitate approximately 24 miles of track which includes upgrading the existing Excepted track to Class 2 track by replacing rail, ties, ballast and other track materials (OTM) (spikes, plates, track anchors etc.), as needed.
 - Rehabilitate a siding in Lake Village, AR and a siding at the Macon Lake rail station.
- Segment B (MP 433.0 to MP 454.8):
 - Rehabilitate approximately 22 miles of track which includes upgrading the existing Excepted track to Class 2 track by replacing rail, ties, ballast, and OTM as needed.
- Segment C (MP 454.8 to MP 471.0):

- Rehabilitate approximately 16 miles of track which includes upgrading the existing Excepted track to Class 2 track by replacing rail, ties, ballast, and OTM as needed.
 - Install approximately 6,600 ft. of new track for the proposed NLA-DSR interchange
 - Install approximately 1,550 ft. of new track to the Big River Rice and Grain facility in Lake Providence Port
 - Rehabilitate approximately 700 ft. of track and install approximately 1,000 ft. of new track to Shelburn Grain west of U.S. 65;
 - Install approximately 350 ft. of lead track to the John Deere facility in Lake Providence Port
 - Install approximately 1,500ft. extension of the siding track at the Lake Providence Pass
 - Rehabilitate approximately 700 ft. of track and install approximately. 1,000 ft. of new track to the Lansing Grain in Lake Providence Port
- Segment D (MP 471.0 to MP 500.2):
 - Rehabilitate approximately 20 miles of track within this Segment which includes upgrading the existing Excepted track to Class 2 track by replacing rail, ties, ballast, and OTM as needed.
 - Install new second track (approximately 12,000 feet) of the lead track to facilitate port-rail connectivity and ease congestion between the DSR mainline and the Madison Parish Port.

Subtask 4b: Railroad Bridge Construction

The Grantee will complete in-kind³ repairs, as described in the Detailed Project Work Plan, on two railroad bridges in Segment A and two railroad bridges in Segment B to accommodate 286,000 lb. gross weight railcars.

Task 4 Deliverables:

- No deliverables

VI. ENVIRONMENTAL COMPLIANCE

FRA has evaluated the actions covered in this grant in accordance with NEPA (NEPA; 42 U.S.C. 4321 et seq.), other environmental statutes, related regulatory requirements, and FRA's NEPA implementing regulations (23 CFR part 771, Environmental Impact and Related Procedures). FRA has determined that the actions funded under this grant for the preliminary engineering and compliance with NEPA and related laws and regulations are categorically excluded from detailed environmental review pursuant to 23 CFR 771.116 (c) (1), (3), and (4) . Categorical exclusions (CEs) are actions identified in an agency's NEPA implementing procedures that do not normally have a significant impact on the environment and therefore do not require either an environmental assessment (EA) or environmental impact statement (EIS). See 40 CFR 1508.4.

³ Ibid.

In analyzing the applicability of a CE, FRA also considered whether unusual circumstances are present that would warrant a more detailed environmental review through the preparation of an EA or EIS. In accordance with 23 CFR 771.116 (a) and (b), FRA has further concluded that no unusual circumstances exist with respect to development of preliminary engineering/NEPA documentation funded under this grant that might trigger the need for a more detailed environmental review.

The obligation of the funds for final design and construction does not predetermine or prejudice the outcome of the NEPA process. The Grantee may not commence any final design or construction activities until FRA has issued a written notice to proceed that will be informed by the final NEPA document. As appropriate, FRA may require an amendment to this Agreement for consistency with the final NEPA decision.

In addition, any final design and/or construction activities must be supported by, and be consistent with, a final FRA NEPA document (i.e., CE determination, Finding of No Significant Impact, or Record of Decision). If the Project leads to work outside of that considered by FRA in making its NEPA determination that may affect the environment, the Grantee agrees that it will not allow the work to begin until it has informed FRA of such work, and received a written notice to proceed. Before providing such notice to proceed to Grantee, FRA will determine what, if any, additional environmental review is required.

VII. PROJECT COORDINATION

The Grantee shall perform all tasks required for the Project through a coordinated process, which will involve affected railroad and right-of-way owners, operators, and funding partners.

VIII. PROJECT MANAGEMENT

The Grantee is responsible for facilitating the coordination of all activities necessary for implementation of the Project. Upon award of the Project, the Grantee will monitor and evaluate the Project's progress through regular meetings scheduled throughout the Project Performance Period. The Grantee will:

- Participate in a project kickoff meeting with FRA
- Complete necessary steps to hire a qualified consultant/contractor to perform required Project work
- Hold regularly scheduled Project meetings with FRA
- Inspect and approve work as it is completed
- Review and approve invoices as appropriate for completed work
- Perform Project close-out audit to ensure contractual compliance and issue close-out report

- Submit to FRA all required Project deliverables and documentation on-time and according to schedule, including periodic receipts and invoices
- Comply with all FRA Project reporting requirements, including, but not limited to providing the following information in the quarterly progress reports, which will also satisfy performance measurement reporting:
 - a. Status of project by task breakdown and percent complete
 - b. Changes and reason for changes in and updated versions of Detailed Project Work Plan, Budget, and Schedule
 - c. Description of unanticipated problems and any resolution since the immediately preceding progress report
 - d. Summary of work scheduled for the next progress period
- Read and understand the Terms and Conditions of this Agreement (Attachment 1)
- Notify FRA of changes to this Agreement that require written approval or modification to the Agreement

Attachment 3

DELIVERABLES AND APPROVED PROJECT SCHEDULE

Southeast Arkansas Economic Development District, Inc.

Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project

The Project Performance Period will be as stated in section 4 on the cover sheet of this Agreement (page 1). Unless otherwise approved, requests for extensions of the Project Performance Period must be submitted not later than 90 days before the end of the Project Performance Period, consistent with Attachment 1.

Approved Project Schedule

Task #	Subtask #	Task Name	Estimated Start Date	Estimated Completion Date
1		Project Administration	Continuous throughout duration of Agreement	
2		Environmental Review	11/01/2020	5/31/2021
3		Engineering	11/01/2020	1/31/2022
4		Construction		

4a	Track Construction	10/01/2021	1/31/2024
4b	Railroad Bridge Construction	10/01/2021	1/31/2024

The deliverables associated with this Agreement are listed below. The Grantee must complete these deliverables to FRA's satisfaction to be authorized for funding reimbursement and for the Project to be considered complete.

Task #	Deliverable Description	Estimated Due Date
1	Detailed Project Work Plan (including budget and schedule)	Within 30 days of Agreement date
1	Project Agreement	Within 30 days of Agreement date
1	Final Performance Report	Within the 90-days of the Project performance period end date
2	Environmental review schedule	Within 30 days of Agreement date
2	Draft NEPA documentation	1/31/2021
2	Final NEPA documentation	4/15/2021
2	Environmental Permits, if applicable	4/30/2021
3	Final Design Package for Rehabilitation of Railroad Bridges	7/31/2021
3	Preliminary Engineering Package for new tracks	4/30/2021
3	Final Design Package for new tracks	8/01/2021

Attachment 4

APPROVED PROJECT BUDGET

Southeast Arkansas Economic Development District, Inc.

Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project

I. APPROVED PROJECT BUDGET

The total estimated cost of the Project is \$21,377,526, for which the FRA grant will contribute funds consistent with Section 5(c) of Attachment 1 to this Agreement. Any additional expense required beyond that provided in this grant to complete the Project will be borne by the Grantee.

Use of Limited Freight Funds. The Grantee acknowledges that the Government selected the Project for award with the expectation that no more than \$10,516,259 of the award would be subject to the limitation at 23 U.S.C. § 117(d)(2). The Grantee will not request reimbursements that are subject to the limitation at 23 U.S.C. § 117(d)(2) and, in aggregate, exceed \$10,516,259.

Project Budget by Task

Task #	Task Name	Federal Contribution	Non-Federal Contribution	Total Cost
1	Project Administration	\$180,000	\$0	\$180,000
2	Environmental Review	\$40,000	\$0	\$40,000
3	Engineering Design	\$1,690,877	\$6,000	\$1,696,877
4	Construction	\$8,605,382	\$10,855,267	\$19,460,649
Total Project Cost		\$10,516,259	\$10,861,267	\$21,377,526

Revisions to the Approved Project Budget will be made in compliance with Attachment 1 of this Agreement. The Grantee will allocate expenditures, by Federal and Non-Federal Contributions, when seeking reimbursement from FRA.

Project Budget by Source

Funding Source		Project Contribution Amount	Percentage of Total Project Cost
Federal Contribution (INFRA Grant)		\$10,516,259	49.19%
	<i>INFRA Grant Amount subject to 23 U.S.C. § 117(d)(2)</i>	<i>\$10,516,259</i>	<i>49.19%</i>
	<i>Amount of INFRA Grant not subject to 23 U.S.C. § 117(d)(2)</i>	<i>\$0</i>	<i>0%</i>
Non-Federal Contribution (Combined amounts from different sources)		\$10,861,267	50.81%
	<i>State Funds (Louisiana Department of Transportation & Development's Port Construction and Development Priority Program grant)</i>	<i>\$10,561,267</i>	<i>49.41%</i>
	<i>Local Funds</i>	<i>\$0</i>	<i>0%</i>
	<i>Other Funds (NLA)</i>	<i>\$300,000</i>	<i>1.40%</i>
TOTAL PROJECT COST		\$21,377,526	100.00%

Costs for completing the Project in excess of the amounts set forth in this section are the responsibility of the Grantee.

Exhibit 3, Attachment 2
FD No. 36447



Post Office Box 6808, 721 S Walnut Pine Bluff, Arkansas 71601 – Phone (870) 536-1971 Fax (870) 536-7718

March 17, 2020

Marc Dixon
South Central Regional Manager
Federal Railroad Administration
Office of Railroad Policy and Development

RE: Southeast Arkansas Economic Development District (SEAEDD) FY19 INFRA Project,
Request for Change of Scope and Justification

Dear Mr. Dixon:

Please accept this letter as SEAEDD's request for the Federal Railroad Administration to approve scope changes to the fiscal year (FY) 19 INFRA Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project (Project). This letter describes the scope changes and the rationale for those changes.

The Project will improve a multimodal freight corridor, through a mixture of rail rehabilitation, bridge upgrades, and new rail infrastructure improvements, located on a 91.3-mile continuous short line railroad corridor known as the McGehee-Tallulah Railroad Corridor (Corridor). Following the same structure as the grant application, the Project is organized into four segments (A-D) from north to south, and based on the owner (also referred to as "project partner") of the rail line within the segment. The segments are: Segment A - North Louisiana and Arkansas Railroad (NLA); Segment B - SEAEDD; Segment C – Lake Providence Port Commission (LPPC); and Segment D – Delta Southern Railroad (DSR). The subsequent sections contain the respective segment's INFRA and non-federal contribution amounts, scope components.

As you know, SEAEDD submitted its FY19 INFRA application before the March 2019 deadline requesting \$25.6 million for the Project. In July 2019 during the FY19 INFRA application review period, the U.S. Department of Transportation's (USDOT) Office of the Secretary (OST) contacted SEAEDD to identify a modified scope for a potential reduced INFRA award. In response, SEAEDD submitted a spreadsheet detailing a modified budget. In September 2019, the USDOT announced FY19 INFRA award selections and selected SEAEDD but for only \$10,516,259. Since that time, SEAEDD has made scope and Segment funding allocation changes for the following reasons: (1) increases and decreases in cost share amounts and (2) some unintended consequences. In February 2020, SEAEDD submitted an updated budget spreadsheet to FRA detailing these revisions.

Counties: Arkansas * Ashley * Bradley * Chicot * Cleveland * Desha * Drew * Grant * Jefferson * Lincoln

Equal Opportunity Employer

The letter is structured into two sections:

- Section 1: Describes changes to the overall total Project costs from SEAEDD's grant application to February 2020.
- Section 2: Organized by Project Segment, this section summarizes the Project's scope changes from the July 2019 spreadsheet (the version that SEAEDD submitted to OST) and February 2020 spreadsheet.

Section 1

Table 1 shows the changes to the Project's total estimated cost in relation to the INFRA and non-Federal cost share amounts. The modified scope that OST based the FY19 INFRA award selection on primarily focuses on rehabilitating existing infrastructure.

Table 1 also summarizes the overall estimated total Project cost changes from the grant application, the budget in the July 2019 spreadsheet, and the budget in the February 2020 spreadsheet. The Project's estimated total cost decreased from approximately \$45 million with the full scope to \$21.37 million for the modified scope for which SEAEDD is requesting FRA's approval.

Table 1. Changes to Estimated Total Project Cost, March 2019 – February 2020			
Data Source	INFRA Cost Share/ (% share)	Non-Federal Cost Share/(% share)	TOTAL
SEAEDD INFRA Grant Application, March 2019	\$25,689,421 (57%)	\$19,315,000 (43%)	\$45,004,421
July 2019 Revised Scope Spreadsheet	\$10,516,259 (38%)	\$17,210,340 (62%)	\$27,726,599
February 2020 Revised Scope Spreadsheet	\$10,516,259 (49%)	\$10,861,267 (51%)	\$21,377,526

Section 2

This section summarizes the Project's scope changes from the July 2019 budget spreadsheet (the version that SEAEDD submitted to OST) and February 2020 budget spreadsheet. *(NOTE: The budget tables in each section contain a component called 'project development'. This includes activities such as environmental review, engineering design activities, and project and grant administration activities.)*

Segment A (NLA)

NLA made some scope changes and clarifications, as well as funding changes for Segment A. The July 2019 Segment A budget included no non-Federal funds NLA's and the non-federal cost share is \$0. In the February 2020 Segment A budget, NLA added a total of \$300,000 in non-federal cost share column as the funds were inadvertently removed or omitted. The NLA

\$300,000 cost share contributes to costs for rehabilitation to rail track on the main line and existing sidings, and upgrades to bridge to make them sufficient to allow 286K lb. rail cars.

The July 2019 budget included \$1,055,561 for the Union Pacific (UP) Interchange because, during that time, LPPC was trying to secure funds from the Louisiana Department of Transportation and Development's (LADOTD) Port Priority Program¹ (PPP) to augment the Segment A budget. All of Segment A is located in Arkansas, however, and LPPC subsequently learned that PPP funds cannot be used on projects outside of Louisiana. As a result, SEAEDD and LPPC agreed to remove the UP Interchange, which is located in Arkansas, from the Project's scope.

Lastly, the July 2019 budget had an error and allocated funds to an 'Industrial Sidings' component, which seemed to indicate that part of the scope included construction of new rail sidings. Those funds, however, are for the rehabilitation of existing sidings at Lake Village and Macon Lake, AR. The changes are shown in Table 2.

Table 2. Segment A (NLA) 24.1 Miles, 26% of Corridor				
Project Component	July 2019		February 2020	
	INFRA Cost Share	Non-Federal Cost Share	INFRA Cost Share	Non-Federal Cost Share
Rail Infrastructure Rehabilitation (Class II)	\$3,365,203	\$0	\$3,299,316	\$70,800
Bridge Upgrades (286,000 lb.) – 2 bridges	\$0	\$0	\$0	\$50,000
UP Interchange	\$1,055,561	\$0	\$0	\$0
Industrial Sidings Rehabilitation of existing sidings at Lake Village and Macon Lake <i>(this was incorrectly listed as 'Industrial Sidings' in the February 2020 spreadsheet)</i>	\$0	\$0	\$0	\$73,200
Subtotal	\$4,420,764	\$0	\$3,299,316	\$294,000
Project Development	\$176,831	\$0	\$131,973	\$6,000
Total	\$4,597,594	\$0	\$3,431,289	\$300,000

¹ Per the LADOTD's website, the PPP requires a cost participation from the ports of 10% based on construction cost of the project.

Segment B (SEAEDD)

For Segment B, SEAEDD made one scope change and one funding change. In the July 2019 Segment B budget, SEAEDD committed \$150,000 in Delta Regional Authority (DRA) funding to the INFRA project. DRA awarded the funds to SEAEDD for rail infrastructure improvements, and SEAEDD was planning to use them for the grade crossing upgrades (totaling approx. \$144,000). Unfortunately, these funds were set to lapse before the FRA and SEAEDD would execute the grant agreement for the Project, and DRA recaptured the funding. Therefore, in the February 2020 budget, SEAEDD defunded the At Grade Highway Rail Crossing Upgrades component. Furthermore, NLA has completed the grade crossing upgrades and SEAEDD removed that component from the Project scope.

Table 3. Segment B (SEAEDD) 21.8 Miles, 24% of Corridor

Project Component	July 2019		February 2020	
	INFRA Cost Share	Non-Federal Cost Share	INFRA Cost Share	Non-Federal Cost Share
Rail Infrastructure Rehabilitation (Class II)	\$1,747,427	\$0	\$1,747,427	\$0
Bridge Upgrades (286,000 lb.) – 2 bridges*	\$0	\$0	\$0	\$100,000
At Grade Highway Rail Crossing Upgrades	\$0	144,230	\$0	\$0
Subtotal	\$1,747,427	\$144,230	\$1,747,427	\$0
Project Development	\$69,897	\$5,769	\$69,897	\$0
Total	\$1,817,324	\$149,999	\$1,817,324	\$0

**= Bridge upgrades will be paid for by NLA*

Segment C (LPPC)

For Segment C, LPPC made no scope changes but did make some funding changes. In the July 2019 budget, LPPC showed a project development costs totaling \$323,367 which SEAEDD and LPPC later determined is not sufficient to cover those costs. Therefore, LPPC adjusted the non-federal costs in the February 2020 budget spreadsheet to account for increased forecasted project development costs by adding \$1,061,673, and to incorporate the 10% match required under the PPP Program to LPPC's PPP grant. The changes are shown in Table 4.

Table 4. Segment C (LPPC) 16.2 Miles, 18% of Corridor

Project Component	July 2019		February 2020	
	INFRA Cost Share	Non-Federal Cost Share	INFRA Cost Share	Non-Federal Cost Share
Rail Infrastructure Rehabilitation (Class II)	\$0	\$2,564,784	\$0	\$2,564,784
Miscellaneous (Anchors)	\$0	\$51,030	\$0	\$51,030
NLA-DSR Interchange	\$0	\$2,160,000	\$0	\$2,589,826
Industrial Leads	\$0	\$2,422,960	\$0	\$2,422,960
Port of Lake Providence Lead/Tracks	\$0	\$885,400	\$0	\$885,400
Subtotal	\$0	\$8,084,174	\$0	\$8,514,000
Project Development	\$0	\$323,367	\$1,166,306	\$0
Total	\$0	\$8,407,541	\$1,166,306	\$8,514,000

Segment D (DSR)

Segment D interfaces directly with the Madison Parish Port Commission (MPPC) via existing track from the DSR mainline; thus, MPPC is a key partner and decisionmaker in this segment. MPPC made several scope and funding changes that are summarized in the bullets below. Most of the scope changes are the result of the reduced FY19 INFRA award – see Table 5.

SEAEDD's FY19 INFRA application stated that MPPC would provide \$10.48 million in PPP funds. MPPC, however, hadn't submitted a PPP application as it was waiting to see if SEAEDD would be selected for an INFRA award, and, if so, the amount of the award². For SEAEDD's discussion with OST in July 2019, MPPC reduced its speculative PPP contribution to approx. \$8.65 million. After USDOT announced FY19 INFRA award selections, MPPC reduced its budget and scope, in response to the reduced INFRA award, and submitted a PPP application for \$2.047 million to LA DOTD in December 2019. In February 2020, LA DOTD notified MPPC that it was selected for a \$2.047 million PPP grant, which MPPC will apply to the 'doubling the lead' component, as shown in Table 5. MPPC removed the track to the riverbank and lead extension components due to lack of PPP funds and other private funds.

² If SEAEDD received the \$25.6 million INFRA award that it requested in its application, MPPC would've tried to obtain the non-federal cost share from multiple sources, including submitting an application to LA DOTD for PPP funds (LA DOTD limits an annual award to \$5 million to each entity selected) and going through a process to get state funds from the Louisiana Bond Commission, for example.

Summary of scope and funding changes:

- Changes to the 'track to the riverbank' and 'lead extension back to the main line' components: MPPC removed these components from the Project because MPPC didn't include them in its PPP application. With the reduced INFRA award, MPPC had to prioritize subprojects and identified the 'doubling the lead track' as the top priority. MPPC would like to complete these components in the future and is planning to apply for other funding programs, such as USDA Rural Development, DRA, and/or U.S. Economic Development Administration (EDA).
- Double tracking the lead track component: After MPPC received notification from LADOTD that it was selected for a PPP grant, it reprogrammed the budget for this component. It applied the PPP grant to the non-federal cost share and the amount in the INFRA cost share column is the 10% match for the PPP grant.
- River transload dock component: MPPC removed this component because the prospective transload facility investor backed out, which resulted in less of a need for the dock. Furthermore, business needs have changed. Instead of needing a transload dock, MPPC is working with a container on barge tenant and is currently identifying the necessary infrastructure improvements.
- Project development component: The July 2019 budget spreadsheet showed project development costs totaling \$490,544 which SEAEDD, DSR, and MPPC later determined is not sufficient to cover those costs. Therefore, DSR and MPPC increased total cost to \$666,076 in February 2020 to account for increased forecasted project development costs and to incorporate the match from the MPPC's PPP grant.

Table 5. Segment D (DSR + Madison Port) 29.2 Miles, 32% Corridor				
Project Component	July 2019		February 2020	
	INFRA Cost Share	Non-Federal Cost Share	INFRA Cost Share	Non-Federal Cost Share
Rail Infrastructure Rehabilitation (Class II)*	\$3,943,597	\$0	\$3,207,789	\$0
Bridge Upgrades (286,000 lb.)**	\$0	\$0	\$0	\$200,000
Track to Riverbank	\$0	\$1,395,000	\$0	\$0
Lead Extension Back to the Main Line	\$0	\$2,295,000	\$0	\$0
Double Tracking the Lead Track	\$0	\$2,880,000	\$227,474	\$2,047,267

River Transload Dock	\$0	\$1,750,000	\$0	\$0
Subtotal	\$3,943,597	\$8,320,000	\$3,435,365	\$2,247,267
Project Development	\$157,744	\$332,800	\$666,076	\$0
Minus Bridge Upgrades**	\$0	\$0	\$0	-\$200,00
Total	\$4,101,341	\$8,652,800	\$4,101,339	\$2,047,267
*= Only 21 miles of work remain as DSR has completed 7 miles of rehab. Work. **= DSR has completed the bridge repairs. These costs will not be included in the FRA-SEAEDD grant agreement.				

If you have any questions or need additional information, please contact me at your earliest convenience.

Respectfully,



Patrecia Hargrove
Executive Director

Exhibit 4
FD No. 36447
Lake Providence Port Commission
Feeder Line Application
Line of Delta Southern Railroad
Located in East Carroll and
Madison Parishes, Louisiana

Verified Statement of Daniel B. Robbins
Vice President of North Louisiana and Arkansas Railroad

**Before the
SURFACE TRANSPORTATION BOARD**

STB Docket FD No. 36447

**Lake Providence Port Commission—Feeder Line Application--LINE OF
DELTA SOUTHERN RAILROAD LOCATED IN EAST CARROLL AND
MADISON PARISHES, LOUISIANA**

VERIFIED STATEMENT OF DANIEL B. ROBBINS

1. My name is Daniel B. Robbins. I am the Vice President of the North Louisiana & Arkansas Railroad ("NLA"). My address is 4416 S. Arkansas Ave., Russellville, AR 72802. I have personal knowledge of the facts stated herein and am duly authorized to present the Verified Statement on behalf of NLA.

2. The NLA is one of the two private short line railroads that have partnered with the Southeast Arkansas Economic Development District (SEAEDD) and the Lake Providence Port Commission (LPPC) and the Madison Parish Port Commission (MPPC) in what is known as the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project. The Partnership successfully obtained a FY 19-20 INFRA Grant from the U.S. Department of Transportation. The Grant funds are intended to be used to re-develop the entire McGehee-Tallulah Railroad Corridor ("the Corridor"), including the trackage between MP 454.8 and MP 500.0.

3. NLA currently owns, or by lease, operates sections of the Corridor between MP 454.8 and MP 471.0. If the Lake Providence Port Commission

("LPPC") is authorized to acquire the track between MP 471 and MP 491 from Delta Southern Railroad ("DSR"), NLA will enter into an extended lease with LPPC and, following the Board's authorization, will operate all tracks owned by LPPC.

4. The receipt of the Grant funds is vital if the Corridor is to be re-developed. Based on our experience, the cost of reconstructing the track that was acquired from DSR has been a continuous financial drain. By way of background, in 2011 when NLA began operating on the segment of the Corridor that LPPC and Arkansas Shortline Railroad, Inc., NLA's parent corporation, had acquired from DSR through an offer of financial assistance, the track was in a deplorable condition. As DSR had admitted in its Petition for Exemption, it had been forced to defer track and bridge maintenance causing the physical condition to seriously deteriorate. As a result of defective cross ties, and track alignment being out of compliance with FRA Class I standards at numerous locations, DSR had been forced to embargo rail operations due to track conditions.

5. To rehabilitate the tracks. NLA and its parent company invested over \$2,000,000 of corporate funds. In addition, NLA, along with SEAEDD, sought RRIF funding to rehabilitate portions of the line from McGehee Arkansas to Lake Village Arkansas, and from Lake Village to Lake Providence Louisiana. After the RRIF loan was ultimately denied, NLA obtained funding for a portion of the needed repairs from the Arkansas Developmental Finance

Administration. While the Economic Development Administration of the U.S. Department of Commerce granted SEAEDD and the Lake Providence Port \$2,000,000 for portions of the project between Lake Village, Arkansas and Lake Providence, Louisiana, there is much that remains to be done. As the photographs in the INFRA Grant Application demonstrate, in January and February 2019, NLA suffered major derailments due to track conditions that continue to impact safety and reliable rail service.¹ While NLA sought an emergency loan guarantee from the Small Business Administration following these incidents, SBA declined that request. NLA's inability to fully address the underlying track conditions has impacted multiple customers as NLA has had to embargo the use of the type of gondolas, which average 17 feet in height, that are normally used to transport cotton seeds and similar items.

6. Given the above, I cannot overstate the critical need to obtain the full extent of the INFRA Grant funding. While NLA has agreed to provide further funds to cover some of the difference between the INFRA Grant funds and the known cost of required repairs, including the repairs needed to address the 20 miles of track that LPPC seeks to acquire, DSR has made it clear that it will not do so. I am aware from conversations with DSR employees and from driving along the adjacent highway that the tracks between MP 471 and 491 are either impassable or continuously blocked by stored cars. Because the failure to agree to commit to the reopening of the entire Corridor may adversely impact the release of the INFRA funds that are required to re-open the entire Corridor,

¹ See FY 19-20 INFRA Grant Application, Appendix A at A6 – A10.

DSR should not be allowed to block LPPC from acquiring the tracks and opening them up for full rail service.

7. There are multiple customers on the NLA track that cannot be served due to DSR's repeated refusal to accept interchange at Lake Providence. Such shippers include Potlatchdeltic, Clearwater Paper, as well as Livingston Pecan and Metal, Inc. Although they have repeatedly expressed an interest in gaining access to the KCS, this has proved to be impossible due to the DSR's refusal to open its track between MP 471 and MP 491. As a result, these companies, and several other shippers in the area are "waiting to see what happens", and are shipping via truck at a greater expense, and to the detriment of the local community.

8. Since 2017, there have been several instances when DSR has declined to interchange traffic with NLA at MP 471. In 2019, Epstein Gin and Transload Co. tried to ship cottonseed out on NLA to be interchanged with KCS. DSR refused to accept the cottonseed. In 2020, Complex Chemical had both loaded and empty cars on the UP interchange in McGehee Arkansas bound for Madison Parish, Louisiana. Because DSR advised UP and NLA that it would not come to Lake Providence to retrieve the cars, the cars had to be re-routed to the UP at McGehee, and then to the KCS at either Shreveport or Monroe, Louisiana and then to DSR for delivery to the customer. This resulted in increased costs and delay to all parties.

9. Because of the tremendous impact upon our current customers, and our inability to get new customers pending the repair and opening of the track between MP 471 and MP 491, it is fair to say that "No INFRA Grant" may compel NLA to consider abandoning service due to continuous operational deficits related to track conditions that are being subsidized by its corporate parent. While NLA has no desire to cease operations, I will state that NLA's future is at stake. The loss of any INFRA Grant funds would not only harm NLA, it would be a tremendous detriment to the economic development in one of the poorest regions in the country. I urge the Board to give this Application expedited consideration and authorize LPPC to acquire the segment of the Corridor between MP 471 and MP 491.

I, Daniel B. Robbins, declare under penalty of perjury that the foregoing statement is true and correct. Further, I certify that I am qualified and authorized to file this statement. Executed this 10th day of November 2020.



Daniel B. Robbins

Exhibit 5
FD No. 36447
Lake Providence Port Commission
Feeder Line Application
Line of Delta Southern Railroad
Located in East Carroll and
Madison Parishes, Louisiana

Letter to Secretary Of Transportation



October 17, 2017

The Honorable Elaine Chao, Secretary of Transportation
Office of the Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington D.C. 20590

Dear Ms. Secretary:

Please accept this letter as support for the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project that the Southeast Arkansas Economic Development District and its partners are requesting in their 2017-18 INFRA Grant application.

The Southeast Arkansas Economic Development District (SEAEDD), the Port of Lake Providence, LA and the Madison Parish Port, LA are located along an approximately 100-mile-long section of the Mississippi River (the designated M-55 Marine Highway) between McGehee in rural Southeast Arkansas and Tallulah in rural Northeast Louisiana. This section of the Mississippi River between McGehee and Tallulah is also served by a parallel 91.3-mile continuous short line railroad corridor of commerce that interfaces directly with the existing Port of Lake Providence and Madison Parish Port and a yet-to-be constructed rail connection to the separate Port of Yellow Bend near Arkansas City, Arkansas.

This grant will be used to modernize and improve rail safety infrastructure along an important freight corridor and improve the regional connectivity to three inland waterway ports. The infrastructure improvements described in the grant application are needed to provide the ports railroad customers access to the nation's rail network. The improvements will have a significant impact to the region's economic development efforts and will expand the effectiveness and cost savings to regional shippers.

The multimodal improvements described in the grant application will provide shippers in the region with new cost-effective alternatives for delivering their produce and manufactured goods to the nation and to the world, as well as providing a new economic development tool for the region, which is so desperately needed. This application for multimodal freight corridor improvements is a positive step for Arkansas and Louisiana, and a positive step for the region and the nation. Increased transportation of rail and river traffic is important to the growth of our region's and nation's economy.

I appreciate the opportunity to share with you the importance of this project to our firm, our states, and our region, and I urge your expeditious approval of SEAEDD's and its partners application for INFRA program funding.

Sincerely,

Matt Prince
Director of Operations

2929 E. Commercial Blvd., Suite PH-D – Fort Lauderdale, FL 33308
Toll free: 1-855-946-RAIL (7245) – www.ContinentalRail.us

Exhibit 6
FD No. 36447
Lake Providence Port Commission
Feeder Line Application
Line of Delta Southern Railroad
Located in East Carroll and
Madison Parishes, Louisiana

Verified Statement of Wyly Gilfoil
Executive Director, Lake Providence Port Commission

**Before the
SURFACE TRANSPORTATION BOARD**

STB Docket FD No. 36447

**Lake Providence Port Commission—Feeder Line Application--LINE OF
DELTA SOUTHERN RAILROAD LOCATED IN EAST CARROLL AND
MADISON PARISHES, LOUISIANA**

VERIFIED STATEMENT OF WYLY GILFOIL

1. My name is Wyly Gilfoil. I am the Port Director for the Lake Providence Port Commission (LPPC), the Applicant herein. My address is 409 Port Road, Lake Providence, LA 71254. I have personal knowledge of the facts stated herein and am duly authorized to present this Verified Statement on behalf of LPPC. LPPC is a non-carrier, political subdivision of the State of Louisiana,

2. LPPC is Louisiana's largest inland waterway port and ships over 1.3 million tons of freight annually. As the Surface Transportation Board's records reflect, LPPC already owns other segments of the McGehee-Tallulah Railroad Corridor ("the Corridor"), including the trackage between MP 471 and MP 454.8 that adjoins the segment that LPPC seeks to acquire from Delta Southern Railroad (DSR). The segments that are owned by LPPC are operated by the North Louisiana & Arkansas Railroad ("NLA") pursuant to authority previously granted by the Board. LPPC recognizes that it will have a residual common carrier obligation when it acquires the segment of the Corridor at

issue herein. Following LPPC's acquisition of the track between MP 471 and MP 491, LPPC will extend the term of the current lease with NLA which, following the Board's authorization, will operate all tracks owned by LPPC.

3. Since 2017, LPPC has partnered with the Southeast Arkansas Economic Development District (SEAEDD), NLA, the Madison Parish Port Commission (MPPC), NLA and DSR in the "Southeast Arkansas and Northeast Louisiana Multimodal Freight Improvement Project" (the Project). The Project is devoted to the restoration of the entire rail corridor that exists between MP 408.9 in McGehee, Arkansas and MP 500.2, in Tallulah, Louisiana. The entire line parallels the Mississippi River. Recognizing the economic needs of the area and the benefits to be derived from restoring the entire line of road, the ultimate goal of the States of Louisiana and Arkansas is to link the Yellow Bend Port, in Arkansas, with the Lake Providence Port and MPP, in Louisiana with a line of railroad that can be safely and efficiently operated.

Today, rail operations over much of the line cannot be safely, reliably, and efficiently conducted due to years of deferred maintenance by prior owners that precipitated the near abandonment of the line in 2011. In some respects, the current condition of the line resulted from the inability to obtain Railroad Rehabilitation & Improvement Financing (RRIF) and Small Business Administration loan guarantees. For a detailed understanding of the Project, the Board's attention is invited to the "FY 19-20 INFRA Application" that SEAEDD, on behalf of the partnership, filed with the United States Department

of Transportation in March 2019. A complete copy is attached to the Feeder Application as Exhibit 1.

4. As is explained in LPPC's Feeder Application, the DOT's INFRA Grant did not award sufficient funds to complete all phases of the Project. As a result, the five partners were required to commit that they would come up with additional private and public funds to cover the deficit needed to restore the track to FRA Class II status. The process of refining the process and explaining how the partnership would make up the difference between its request and the award amount was started on July 11, 2019.

5. Since that date, I have worked closely with Patrecia Hargrove, SEAEDD's Executive Director, who as the Grant Administrator oversees the management of the Project. She is the contact person for the Project with the DOT and the Federal Railroad Administration (FRA), and the other partners to find ways to make up the difference by delaying the timing of some aspects of the project while ensuring that the primary goal of the Project will not be compromised. A required component of the effort has been the drafting of a Consortium Agreement between the five partners who are stakeholders. On July 30, 2020, Hargrove emailed the final draft of the Consortium Agreement to the stakeholders for their review. As stated in her July 30 email, "The goal is to have an agreement in place prior to the signing of the grant agreement, which is expected to be completed and submitted to SEAEDD for execution by the end of August." Unfortunately, that goal was not achieved.

6. On August 14, Jon Ryan, from Continental Rail, responded by emailing “an updated draft with our comment so our scope matches the grant.” The “comment” consisted of DSR’s unilateral change in the number of miles on DSR’s tracks to be upgraded from excepted track by striking “20” miles and replacing it with “10” miles. Later that day, Hargrove requested me to review the response, which I did.

7. The following Monday afternoon, August 17, I spoke with John Marino, who I understand is Continental Rail’s CEO. During the course of the conversation, I told him I would push for reallocation of the \$3.2 million plus Engineering if he refused to agree to upgrade the 20 miles to Class II status consistent with the underlying goal of the Project. He said he would get with Jon and consider it. In response I indicated that we would apply in the future for funds to do the Madison Port to Tallulah.

8. Realizing the need to clear all modifications of the Scope of Work with FRA, the other partners had a telephone call to discuss possible responses to FRA if DSR refused to agree to upgrade the twenty miles and sign the Consortium Agreement. On August 18, Hargrove sent an email to Marino advising him that she needed to have an answer in writing by 12 noon CDT, August 21, 2020, “describing DSR’s intentions as far as the Consortium Agreement and the Grant Agreement to repair the track between Talla Bena, Louisiana and Lake Providence, Louisiana to a minimum of FRA Class I standards and provide service as described in the narrative of the INFRA

application and INFRA award.” By reducing the target from FRA Class II to Class I, SEAEDD lessened the amount of Grant funds that DSR would be required to expend on the upgrade. This offer was made with the thought that other grant funds could be later obtained to meet the Class II standard.

9. On the morning of August 20, 2020, Bryant Killen, LPPC’s Deputy Director, and I had a speaker phone conversation with Marino to urge him again to comply with the intent of the INFRA Grant Application by upgrading the 20 miles of track south of Lake Providence. During that conversation, Marino suggested that LPPC buy the track owned by DSR in East Carroll Parish to below Tallulah. He stated a price tag of around a million dollars a mile estimating the cost would be between \$13 and \$16 million. He then said this would be the best option and, while he hated to use the cliché “win-win,” would be the only way in this instance that the line would be cleared of stored cars. Unprompted, he then said he “would move the cars somewhere else, no problem.” I informed Marino that an appraisal would have to be made, and as a governmental agency, that would be the price the port would have to go by.

10. Following our conversation, I received an email from Marino thanking me for the call. He also included the following sentences:

In an effort to work with you and the port I think we can come up with a creative solution to sell a portion of the right of way to the port. This could be beneficial for a port customer for many reasons – one most important being access to two class one railroads.

Let me know the next steps needed to get this to a term sheet?

Because I cannot proceed without an appraisal to determine the NLV of the Line, I did not reply. I do, however, agree with the benefit to port customers that Marino identified.

11. On August 21, 2020, I learned that SEAEDD had received a responsive email from Marino confirming DSR's lack of an intent to rehabilitate the segment of its track between MP 471 and MP 491 to even FRA Class I status. As was made clear, the INFRA GRANT funds would be applied only to DSR's "Priority Miles." These are the miles between MP 500.0 and MP 491.0 that allow DSR to provide service to the MPP.

12. Because this would leave the twenty miles of track in their current excepted status, which is contrary to the goal of reopening the entire Corridor, I realized the failure to upgrade the tracks could jeopardize the INFRA Grant fund. Most importantly, because I realized that a feeder application would be supported by the industries that had fully supported the effort to obtain the INFRA Grant, I viewed it as being in the public interest to file with the Board.

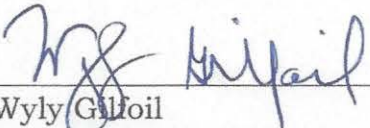
13. In reaching my decision, which has the full support of the other Partners, apart from DSR, I was aware that we could not expect DSR to rehabilitate the tracks. I also knew that rehabilitation of the tracks would enable industries located in both the Madison Parish Port and the Lake Providence Port to reach both UP and KCS. That, of course, was one of the reasons they had supported the INFRA Grant Application. I also focused on DSR's repeated refusals of which I was personally aware to provide interchange

service with NLA at MP 471 since 2017. I also considered the fact that while DSR was not using the tracks north of MP 491 to provide any rail common-carrier service, it was using about ten miles of the track to store idle rail cars for a third parties. That storage provided no benefits to the industries located at either of the Louisiana Ports. Because the continued storage of rail cars would effectively prevent service over the entire Corridor, the stored cars would have to be removed. Based on Marino's comment the day before that it would be no problem to move the cars somewhere else if we could reach an agreement, I decided that I had no choice but to file a feeder application to acquire the track.

14. Based on the foregoing, it is my opinion that the forced sale to LPPC is supported by and consistent with the Public Convenience and Necessity. DSR has refused for several years to make the necessary efforts to provide adequate service to shippers who wish to utilize the Corridor to reach UP and KCS. Because the segment of the track and Corridor is impassable or blocked no shipper can utilize that segment if they so desire. Third, the sale will not have a significantly adverse financial effect on DSR as it will continue to utilize and improve its track that leads to the connection with MPP's private track and all shippers located at that Port. At the same time, because it will not be required to upgrade the track between MP 471 and MP 491, it can utilize the funds received from the sale to LPPC, to improve its Priority Miles and the related facilities leading to MPP. For the same reason, the sale will not have an adverse effect on DSR's overall operational performance.

15. To comply with the expressed goal of the Project, namely the re-development of the *entire* Corridor, LPPC will do everything in its power to work with SEAEDD, the Madison Parish Port, NLA and all other parties, including DSR. That DSR lacks intent to spend the cash or allocate grant funds to rehabilitate the tracks in question must not allow the goals of the Project to be derailed. As demonstrated by the industry support the Partners have received while pursuing the INFRA Grant and this Feeder Application, the line will result in improved transportation for all shippers that wish to transport traffic over the line. I urge the Board to give this Application expedited consideration.

I, Wyly Gilfoil, declare under penalty of perjury that the foregoing statement is true and correct. Further, I certify that I am qualified and authorized to file this statement. Executed this 10th day of November 2020.



Wyly Gilfoil

Exhibit 7
FD No. 36447
Lake Providence Port Commission
Feeder Line Application
Line of Delta Southern Railroad
Located in East Carroll and
Madison Parishes, Louisiana

Verified Statement of Patrick Terry Murphy
Executive Director, Madison Parish Port Commission

**Before the
SURFACE TRANSPORTATION BOARD**

STB Docket FD No. 36447

**Lake Providence Port Commission—Feeder Line Application--LINE OF
DELTA SOUTHERN RAILROAD LOCATED IN EAST CARROLL AND
MADISON PARISHES, LOUISIANA**

VERIFIED STATEMENT OF PATRICK TERRY MURPHY

1. My name is Patrick Terry Murphy. I am the Executive Director for the Madison Parish Port Commission (MPPC). I have held the position as Executive Director for 7 years. My address is 1603 Felicia Drive, Tallulah LA 71282. I have personal knowledge of the facts stated herein and am duly authorized to present this Verified Statement on behalf of MPPC. MPPC is a non-carrier, political subdivision of the State of Louisiana.

2. MPPC is one of the public members of the public-private partnership that was awarded an INFRA Grant by the United States Department of Transportation (DOT). In awarding the Grant, DOT determined that the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project is a "Nationally Significant Freight and Highway Project." It is essential that the Partnership receive all of the Grant Funds that DOT has awarded it. The primary goal of the project is to re-open the entire rail corridor between McGehee, Arkansas and Tallulah. As a result, the twenty (20) mile segment that LPPC seeks to acquire must be rehabilitated. In August,

Delta Southern Railroad (DSR) advised the other members of the Partnership that it cannot commit to rehabilitating that segment of its track. Because Lake Providence Port Commission (LPPC) is ready, willing and able to rehabilitate the tracks, MPPC fully supports its Feeder Line Application. The Partnership has worked too hard to obtain the INFRA Grant funds to let them be lost because of the failure to rehabilitate twenty miles of track.

3. MPP is a leading port along the more than 500-mile section of the Mississippi River between Baton Rouge and Memphis. It currently handles about 750,000 tons of cargo annually, including aggregates, lime, dry and liquid fertilizer, cottonseed, grain and steel. Complex Chemical, which is the port's anchor tenant, is in the process of expanding its MPP facilities. At present, Complex produces Brake Fluid, Antifreeze/Coolants, Lubrications, Oil additives, materials used in paving, mining and drilling, as well as various glycols via distillation of glycol residues that are produced for multiple markets. I have been advised that Complex either received or shipped over 1100 jumbo railcars of material from 4/30/2019 to 5/1/2020. Expansions of its facilities are projected to result in an additional 100 cars per year.

4. I am aware that Complex and other companies that are located within MPPC support the Feeder Application. Today, DSR is the only rail carrier that provides service to customers located in MPP. While its service is generally regarded as adequate, I have been informed that the ability to have access to both Kansas City Southern Railroad, which operates into Tallulah,

and Union Pacific Railroad, which operates into McGehee, Arkansas, will be beneficial from a competitive standpoint. Furthermore, it is extremely important to have reliable and safe rail service.

5. I am aware of complaints that DSR's service has been troublesome at times due to the crossing at mile post 491 that leads to MPP being blocked excessively because DSR is switching rental storage cars that are stored on its mainline between milepost 481 and milepost 491. As the Executive Director of MPP, I am mindful that while the storage of rail cars has private financial benefits for a railroad. However, those private financial benefits cannot be allowed to outweigh the needs of shippers for reliable rail service. In this instance, the anticipated removal of the stored rail cars will unquestionably improve rail service to KCS while opening access to UP. DSR, of course, will continue to interchange with KCS.

6. DSR will also benefit from rail traffic that will be brought to it by the North Louisiana & Arkansas Railroad (NL&A). It is my understanding that DSR has declined to accept cars from NL&A for about three years as it did not have the capital funds that were needed to rehabilitate its track so that it could accept the cars from NL&A. I have also recently learned that a major shipper located in Lake Providence is planning on shipping a significant number of cars to KCS that will be forwarded to a new market in Mexico after the tracks in question have been rehabilitated and the stored cars have been moved to some other spot. This is the type of traffic that is needed to develop the area's

economy. That will not happen if adequate and reliable rail service is not available.

7. The Madison Parish Port has a signed lease agreement with a new tenant, scheduled to begin startup operation in November 2020. The named tenant is Rail Vehicle Services that repairs and upgrades rail cars and also converts diesel locomotives to electric. Rail Vehicle Services will significantly increase rail traffic moving into and out of the Madison Parish Port. While cars moving via KCS will continue to be moved over the DSR rail line servicing the Madison Port, cars that are destined to points to the north will be moved via the NL&A and interchanged with UP following the reopening of the rail corridor to McGehee.

I, Patrick Terry Murphy, declare under penalty of perjury that the foregoing statement is true and correct. Further, I certify that I am qualified and authorized to file this statement. Executed this 27th day of October 2020.



Exhibit 8
FD No. 36447
Lake Providence Port Commission
Feeder Line Application
Line of Delta Southern Railroad
Located in East Carroll and
Madison Parishes, Louisiana

Letter of Support of Jerry J. Melton
President of Complex Chemical Co., Inc.



COMPLEX CHEMICAL CO., INC.

MADISON PARISH PORT INDUSTRIAL PARK
P.O. BOX 1352
TALLULAH, LA 71282
PHONE: (318) 574-0382

Cynthia Brown
Chief, Section of Section of Administration
Office of Proceedings
Surface Transportation Board

Re: Support of Feeder Line application filed by the Lake Providence Port Commission to Acquire Segment of McGehee-Tallulah Railroad Corridor Between MP 471.0 and MP 491.0 in East Carroll and Madison Parishes, LA

Dear Ms. Brown:

This letter of support is written on behalf of Complex Chemical Co., Inc. It has been brought to our attention that the Lake Providence Port Commission (LPPC) must file a Feeder Line Application with the Board to acquire the above described segment of the McGehee-Tallulah Railroad Corridor (Corridor). It is our understanding that the acquisition is required to ensure that the line of railroad between the subject mileposts, which is impassable at points and has not been used to provide rail service since 2017, will be properly reconstructed. Please be aware that Complex Chemical Co., Inc previously supported the Southeast Arkansas Economic Development District's INFRA Grant Application seeking Federal financial support of the "Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project." A copy of our letter in support of the Grant Application is included as an exhibit to LPPC's Feeder Application.

The decision of the U.S. Department of Transportation to provide financial support demonstrates that the rehabilitation of the Corridor is of National Significance. Because it is extremely important that the entire Corridor must be rehabilitated consistent with the scope of work identified in the Grant Application, the Board should expeditiously approve LPPC's Feeder Application so that the vital Federal Contribution will not be lost.

The project when completed, will improved the reliability and safety of rail service over the entire Corridor, as well as open access to both UP and KCS. This is of extreme importance to all who rely upon rail service and is unquestionably in the public interest.

Attached is a brief description of our current company status and the role it plays in the local economy.

Regards,

Jerry J. Melton
President



COMPLEX CHEMICAL CO., INC.

MADISON PARISH PORT INDUSTRIAL PARK
P.O. BOX 1352
TALLULAH, LA 71282
PHONE: (318) 574-0382

Summary

Complex Chemical Co., Inc

Current Status

Products and Services

- 1) Brake Fluid, Antifreeze/ Coolants, Lubrications, Oil additives, materials used in paving, mining & drilling, various glycols via distillation of glycol residues are produced for multiple markets.
- 2) 131 employees currently with an annual payroll of nearly \$10M.
- 3) A glycol distillation expansion project is underway to be completed 2021. The investment is approximately \$2M and will create 4-6 new jobs.

Permits are being sought to install an additional reactor to expand capacity for manufacturing materials for the mining and drilling markets. Estimated investments is \$3M with completion by 2023. This will create an additional 4 jobs.

From 4/30/2019 to 5/1/2020 Complex either received or shipped over 1100 jumbo railcars of material. The expansion(s) should result in an additional 100 cars per year.

Complex Chemical currently supplies roughly 30% of all the DOT 3 and DOT 4 brake fluid sold in the U.S. Complex manufactures three products that are used in roughly 40% of all the heavy-duty diesel crankcase oil sold in North America. This expansion and capacity increase will allow Complex to be the second largest producer of glycols from residues in the U.S.

The current rail provider, DSR is providing adequate service but is troublesome at times due to the crossing being blocked excessively with switching of rental storage cars.

Jerry J. Melton
President

Exhibit 9
FD No. 36447
Lake Providence Port Commission
Feeder Line Application
Line of Delta Southern Railroad
Located in East Carroll and
Madison Parishes, Louisiana

Letters of Support from Sam Angel
Owner of Epstein Gin Co.
and Epstein Transloading

EPSTEIN GIN COMPANY
LIMITED PARTNERSHIP

P.O. BOX 748
537 REYNOLDS STREET
LAKE VILLAGE, ARKANSAS 71653
TELEPHONE: (870) 265-2332
FAX: (870) 265-5690

SAM E. ANGEL
PRESIDENT
SAM E. ANGEL II
VICE PRESIDENT

Cynthia Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board

Re: Support of Feeder Line Application filed by the Lake Providence Port
Commission to Acquire Segment of McGehee-Tallulah Railroad
Corridor Between MP 471.0 and MP 491.0 in East Carroll and
Madison Parishes, LA

Dear Ms. Brown:

My name is Sam Angel. I am the owner of Epstein Gin Co. and Epstein Transloading, which are family owned businesses located in Lake Village, Arkansas. I have been involved with Epstein Gin for 60 years and have personal knowledge about the facts that are stated herein.

Epstein Gin has been located here in this location since the early 1900s. The ginning process separates the seed from the cotton fiber. The fiber is shipped out by truck and the cotton seed is shipped by rail. We store up to seventeen thousand tons of seed here. Storage and rail are critical to our operation due to the fact cotton harvest is approximately 60 days annually therefore the seed markets flood quickly and prices drop just as fast. With seed storage we can ship and sell throughout the year on rail going to the dairy markets. Epstein Transloading does the same for other cotton gins located in the Mississippi Delta that have seed storage but no access to rail service. So, you can see the impact that this rail line has on our business as well as families in our community. Between our two operations we employ approximately 25 people with 6 positions tied directly to transloading. Epstein Transloading also transloads other agricultural products as well as paper and industrial chemicals. Epstein Transloading has recently purchased property to expand its loading and unloading abilities to include biofuels lumber and industrial products. The expansion project is approximately 750,000 dollars.

It has been brought to my attention that the Lake Providence Port Commission (LPPC) is preparing to file a Feeder Line Application with the Surface Transportation Board (Board) to acquire the above-described segment of the McGehee-Tallulah Railroad Corridor (Corridor) between MP 471.0 and MP 491.0 that is owned by Delta Southern Railroad (DSR). Because Epstein's facilities are located at MP 431.3, it is of extreme importance that the entire

line of railroad between MP 431.3 at McGehee and MP 408.9 will be rehabilitated so that we can resume full rail service using high-center-of-gravity rail cars to transport cotton seed. Furthermore, this will enable Epstein Gin and Epstein Transloading to reach both Union Pacific in McGehee and Kanas City Southern in Tallulah.

Based on Epstein Gin and Transloading's experiences in 2019, I have personal knowledge that the rail between mileposts 471 and 491 is impassable at points and has not been used to provide rail service since 2017. In June 2019, DSR refused to accept a train composed of 43 cars from North Louisiana & Arkansas Railroad (NLA) because its tracks between those mileposts could not accommodate the top-heavy loads that are generally handled in high-center-of-gravity cars. In declining the cars, DSR also claimed that had approximately 200 rail cars stored on a portion of its Line between MP 481 and MP 491.

I am aware that in August 2019, the U.S. Department of Transportation (DOT) agreed to provide financial support to the Southeast Arkansas Economic Development District (SEAEDD) and its partners, which include LPPC, the Madison Parish Port (MPP), the North Louisiana & Arkansas Railroad (NLA) and DSR. In reaching its decision to award an INFA Grant to SEAEDD, DOT recognized that the rehabilitation of the Corridor is of National Significance. Because it is extremely important that the entire Corridor must be rehabilitated consistent with the scope of work identified in the Grant Application, the Board should expeditiously approve LPPC's Feeder Application so that the vital Federal Contribution will not be lost.

I have recently learned that because DSR has advised SEAEDD, which is the Grantee, that it will not commit to rehabilitating the segment, LPPC has agreed to acquire the segment and rehabilitate it. It is my understanding that NLA, which currently provides rail service for Epstein Gin and Epstein Transloading will enter into a lease agreement to operate the Line.

Epstein Gin and Transloading has long utilized rail service to transport cotton seed to UP in McGehee. In 2008, it used DSR, which then owned the segment of the corridor between Lake Village and McGehee, to transport 451 cars. However, DSR's horrendous rail service, forced us to greatly reduce our reliance on rail service. Not only did it suffer numerous derailments, which resulted in the loss of product, but its service was unreliable. While it would promise to deliver cars for loading on a Friday, it often failed to arrive until the next Friday. In our business repeated delays of a week for delivery results in the loss of customers who use the cotton seed to feed their cattle. Due to the unreliable rail service, we had to resort to transloading shipments for delivery to UP. This necessarily and substantially increased our cost of transportation.

Our situation improved following LPPC's and NLA acquisition of segments of the Line between MP 408.9 and MP 433.0 and between MP 454.8 and MP 471.0 in 2011. Unfortunately, the deteriorated condition of much of the entire rail corridor has also prevented Epstein Gin as well as Epstein Transloading from making full use of NLA, which has invested several million dollars to rehabilitate its track. In February 2019, NLA suffered a derailment when three high-center-of-gravity railcars, each loaded with approximately 100 tons of cotton seed, toppled off the wheel set of the cars leaving the wheels on the tracks. The wheels did not derail but remained on the tracks. However, when the railcars toppled, it caused the locomotive to derail and land on its side. The engineer escaped serious injury. Given this incident, NLA was forced to refuse service of loaded high-center-of-gravity railcars between Mileposts 410.9 and 432 until funding can be obtained to rehabilitate the tracks. NLA has committed to use INFRA Grant funds, as well as additional corporate funds, to address this issue.

Once the tracks are rehabilitated, Epstein Gin and Epstein Transloading intends to expand its sales into Mexico via KCS. This is a new market for us that is dependent upon our being able to ship via NLA, DSR and KCS through Tallulah. Any other routing will not work

The rehabilitation project, when completed, will improve the reliability and safety of rail service over the entire Corridor, as well as open access to both UP and KCS. This is of extreme importance to all who rely upon rail service and is unquestionably in the public interest. The loss of any INFRA Grant funds will cripple the project and harm Epstein Gin as well as Epstein Transloading. As a result, we urge the Board to approve LPPC's Feeder Application.

A handwritten signature in cursive script, reading "Sam E. Angel". The signature is written in dark ink and is positioned below the main body of text.

Exhibit 10
FD No. 36447
Lake Providence Port Commission
Feeder Line Application
Line of Delta Southern Railroad
Located in East Carroll and
Madison Parishes, Louisiana

Additional Letters of Support

Ralph Abraham, M.D., United States House
of Representatives

Katrina R. Jackson, Louisiana State Senator

Francis C. Thompson, Louisiana House of Representatives

C. Travis Johnson, Louisiana House of Representatives

Northeast Louisiana Economic Alliance

Ports Association of Louisiana

Morgan City Harbor and Terminal District

Joe Dan Yee, Mayor, City of Lake Village, Arkansas

Mack H. Ball, Jr., Chicot County Judge

RALPH LEE ABRAHAM, M.D.
5TH DISTRICT, LOUISIANA

COMMITTEE ON ARMED SERVICES

COMMITTEE ON AGRICULTURE



Congress of the United States
House of Representatives
Washington, DC 20515-1805

417 CANNON HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
(202) 225-8490

426 DE SIARD STREET
MONROE, LA 71201
(318) 322-3569
(318) 322-3577 FAX

2003 MACARTHUR DRIVE, BUILDING 5
ALEXANDRIA, LA 71301
(318) 445-0818
(318) 445-3776 FAX

5934 COMMERCE STREET
ST. FRANCISVILLE, LA 70775
(225) 245-1971 CELL
(985) 516-5858 CELL

www.abraham.house.gov

October 7, 2020

Cynthia Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board

Re: Feeder Line Application filed by the Lake Providence Port Commission to Acquire Segment of McGehee-Tallulah Railroad Corridor Between MP 471.0 and MP 491.0 in East Carroll and Madison Parishes, LA

Dear Ms. Brown:

I am writing in support of the Feeder Line Application submitted by the Lake Providence Port Commission (LPPC) to acquire the above described segment of the McGehee-Tallulah Railroad Corridor (Corridor). It is my understanding that the acquisition is required to ensure that the line of railroad between the subject mileposts, which is impassable at points and has not been used to provide rail service since 2017, will be properly reconstructed. This acquisition is critical to fulfill the INFRA Grant awarded for the "Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project," a project that I have strongly supported.

The decision of the U.S. Department of Transportation to provide financial support demonstrates that the rehabilitation of the Corridor is of National Significance. It is important that the entire Corridor be rehabilitated consistent with the scope of work identified in the INFRA Grant application so that the federal contribution will not be lost. This project, when completed, will improve the reliability and safety of rail service over the entire Corridor, as well as open access to both UP and KCS. In addition, it will provide significant economic benefits to a historically underserved region of the country.

I respectfully request that the Board give expeditious consideration to LPPC's Feeder Application. Thank you for your consideration of this request.

Sincerely,

Ralph Abraham, M.D.
Member of Congress

**SENATE
STATE OF LOUISIANA**



4106 DeSiard Street
Monroe, LA 71203
Email: jacksonk@legis.la.gov
Phone: (318) 343-2877
Fax: (318) 343-2879
Toll Free: (855) 872-5197

COMMITTEES

Education, Vice Chairwoman
Agriculture, Forestry, Aquaculture
and Rural Development
Insurance
Finance, Interim Member

KATRINA R. JACKSON
STATE SENATOR ~ DISTRICT 34
October 12, 2020

Cynthia Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board

Re: Support of Feeder Line Application filed by the Lake Providence Port Commission to Acquire Segment of McGehee-Tallulah Railroad Corridor Between MP 471.0 and MP 491.0 in East Carroll and Madison Parish, LA

Dear Ms. Brown:

I am writing this letter to express my support of the Feeder Line Application filed by the Lake Providence Port Commission (LPCC). It has been brought to my attention that the LPCC must file a Feeder Line Application to acquire the above described segment of the McGehee-Tallulah Railroad Corridor. It is my understanding that the acquisition is required to ensure that the line of railroad between the subject mileposts will be properly reconstructed.

The decision of the U.S. Department of Transportation to provide financial support demonstrates that the rehabilitation of the Corridor is of National Significance. It is important that the entire Corridor be rehabilitated consistent with the scope of work identified in the Grant Application, the Board should expeditiously approve LPCC's Feeder Line Application so that the vital Federal Contribution will not be lost.

When completed, this project will improve the reliability and safety of rail service over the entire Corridor, as well as open access to both UP and KCS. This is of extreme importance to those who rely upon rail service and is unquestionably in the public interest.

Once again, I support the Feeder Line Application filed by the Lake Providence Port Commission. Thank you for your full and fair consideration for this proposal.

Sincerely,

A handwritten signature in blue ink, appearing to be "K. Jackson", is written over the name Katrina R. Jackson.

Katrina R. Jackson

LOUISIANA HOUSE OF REPRESENTATIVES



P.O. Box 68
Delhi, LA 71232
Email: thompsonf@legis.la.gov
Office: 318.878.9408
Fax: 318.878.5650

COMMITTEES:
Agriculture, Forestry, Aquaculture and
Rural Development - Vice Chairman
Appropriations
Joint Legislative Committee on the Budget

FRANCIS C. THOMPSON
State Representative ~ District 19

October 8, 2020

Cynthia Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board

Re: Support of Feeder Line Application filed by the Lake Providence Port
Commission to Acquire Segment of McGehee-Tallulah Railroad
Corridor Between MP 471.0 and MP 491.0 in East Carroll and
Madison Parishes, LA

Dear Ms. Brown:

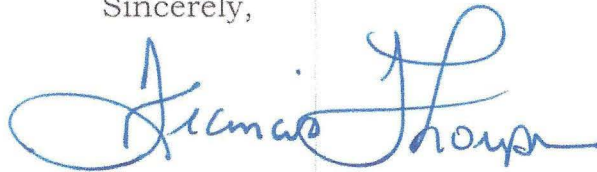
This letter of support is written on behalf of the Lake Providence Port Commission's Feeder Line application. It has been brought to my attention that the Lake Providence Port Commission (LPPC) must file a Feeder Line Application with the Board to acquire the above described segment of the McGehee-Tallulah Railroad Corridor (Corridor). It is my understanding that the acquisition is required to ensure that the line of railroad between the subject mileposts, which is impassable at points and has not been used to provide rail service since 2017, will be properly reconstructed. Please be aware that I previously supported the Southeast Arkansas Economic Development District's INFRA Grant Application seeking Federal financial support of the "Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project." A copy of my letter in support of the Grant Application is included as an exhibit to LPPC's Feeder Application.

The decision of the U.S. Department of Transportation to provide financial support demonstrates that the rehabilitation of the Corridor is of National Significance. Because it is extremely important that the entire Corridor must be rehabilitated consistent with the scope of work identified in the Grant Application, the Board should expeditiously approve LPPC's Feeder Application so that the vital Federal Contribution will not be lost.

This project, when completed, will improve the reliability and safety of rail service over the entire Corridor, as well as open access to both UP and KCS. This is of extreme importance to all who rely upon rail service and is unquestionably in the public interest.

Thank you for your time and consideration of this request.

Sincerely,

A handwritten signature in blue ink, reading "Francis Thompson". The signature is fluid and cursive, with the first name "Francis" and last name "Thompson" clearly distinguishable.

Francis C. Thompson
State Representative, District 19
State of Louisiana

LOUISIANA HOUSE OF REPRESENTATIVES

200 Advocate Row, Suite D
Vidalia, LA 71373
Email: hsc021@legis.la.gov
Phone: 225.308.4269
Fax: 318.336.9268



Agriculture, Forestry, Aquaculture, and
Rural Development, Health and Welfare,
Transportation, Highways, and Public
Works, House Select Committee on
Homeland Security

C. Travis Johnson
State Representative ~ District 21

Cynthia Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board

Re: Support of Feeder Line Application filed by the Lake Providence Port Commission to Acquire Segment of McGehee-Tallulah Railroad Corridor Between MP 471.0 and MP 491.0 in East Carroll and Madison Parishes, LA

September 29, 2020

Dear Ms. Brown,

My name is C. Travis Johnson and I am the State Representative for District 21 of Louisiana. It is an absolute pleasure to write this letter of support for the Lake Providence Port Commission. It has been brought to my attention that the Lake Providence Port Commission (LPPC) must file a Feeder Line Application with the Board to acquire the above described segment of the McGehee-Tallulah Railroad Corridor (Corridor). It is my understanding that the acquisition is required to ensure that the line of railroad between the subject mileposts, which is impassable at points and has not been used to provide rail service since 2017, will be properly reconstructed. Please be aware that former State Rep. Anders previously supported the Southeast Arkansas Economic Development District's INFRA Grant Application seeking Federal financial support of the "Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project." A copy of our letter in support of the Grant Application is included as an exhibit to LPPC's Feeder Application.

The decision of the U.S. Department of Transportation to provide financial support demonstrates that the rehabilitation of the Corridor is of National Significance. Because it is extremely important that the entire Corridor must be rehabilitated consistent with the scope of work identified in the Grant Application; the Board should expeditiously approve LPPC's Feeder Application so that the vital Federal Contribution will not be lost.

This project, when completed, will improve the reliability and safety of rail service over the entire Corridor, as well as open access to both UP and KCS. This is of extreme importance to all who rely upon rail service and is unquestionably in the public interest.

Please accept this letter as my full support of this project. If there are any questions, or anything else needed regarding this matter. Please do not hesitate to reach out.

Sincerely,

A handwritten signature in blue ink that reads "C. Travis Johnson".

C. Travis Johnson
State Representatives/District 21



PARTNERS DRIVING PROGRESS
NORTHEAST LOUISIANA ECONOMIC ALLIANCE
AT LOUISIANA DELTA COMMUNITY COLLEGE
7500 MILLHAVEN ROAD, MONROE, LA 71203
AND
204 FAIR AVENUE

October 8, 2020

Cynthia Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board

Re: Support of Feeder Line Application filed by the Lake Providence Port
Commission to Acquire Segment of McGehee-Tallulah Railroad
Corridor Between MP 471.0 and MP 491.0 in East Carroll and Madison
Parishes, LA

Dear Ms. Brown:

This letter of support is written on behalf of Northeast Louisiana Economic Alliance. It has been brought to our attention that the Lake Providence Port Commission (LPPC) must file a Feeder Line Application with the Board to acquire the above described segment of the McGehee-Tallulah Railroad Corridor. It is our understanding that the acquisition is required to ensure that the line of railroad between the subject mileposts, which is impassable at points and has not been used to provide rail service since 2017, will be properly reconstructed. Please be aware that our organization which represents 10 Parishes for Regional Economic Development working directly with Louisiana Economic Development, previously supported the Southeast Arkansas Economic Development District's INFRA Grant Application seeking Federal financial support of the "Southeast Arkansas and Northeast Louisiana Multi-modal Freight Corridor Improvement Project." A copy of our letter in support of the Grant Application is included as an exhibit to LPPC's Feeder Application.

The decision of the U.S. Department of Transportation to provide financial support demonstrates that the rehabilitation of the Corridor is of

National Significance. Because it is extremely important that the entire Corridor must be rehabilitated consistent with the scope of work identified in the Grant Application, the Board should expeditiously approve LPPC's Feeder Application so that the vital Federal Contribution will not be lost. This corridor represents the opportunity for true business growth in two of the poorest Parishes in Louisiana, if not the United States. These Parishes have historically been under-served.

This project, when completed, will improve the reliability and safety of rail service over the entire Corridor, as well as open access to both UP and KCS. This is of extreme importance to all who rely upon rail service and is unquestionably in the public interest. Please review this request and reply favorably for this great potential for our Region.

Sincerely,



Tana Trichel
President/CEO
Northeast Louisiana Economic Alliance
7500 Millhaven Road, Suite 135
Louisiana Delta Community College
Monroe, La. 71202

CC: Mr. Wyly Gilfoil, Executive Director, Lake Providence Port



P.O. Box 82880, Baton Rouge, LA 70884
Phone: 225-572-1916

October 8, 2020

Cynthia Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board

Re: Support of Feeder Line Application filed by the Lake Providence Port Commission to Acquire Segment of McGehee-Tallulah Railroad Corridor Between MP 471.0 and MP 491.0 in East Carroll and Madison Parishes, LA

Dear Ms. Brown:

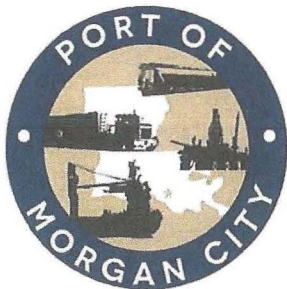
This letter of support is written on behalf of the Ports Association of Louisiana (PAL). It has been brought to our attention that the Lake Providence Port Commission (LPPC) must file a Feeder Line Application with the Board to acquire the above described segment of the McGehee-Tallulah Railroad Corridor (Corridor). It is our understanding that the acquisition is required to ensure that the line of railroad between the subject mileposts, which is impassable at points and has not been used to provide rail service since 2017, will be properly reconstructed. Please be aware that PAL previously supported the Southeast Arkansas Economic Development District's INFRA Grant Application seeking Federal financial support of the "Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project." A copy of our letter in support of the Grant Application is included as an exhibit to LPPC's Feeder Application.

The decision of the U.S. Department of Transportation to provide financial support demonstrates that the rehabilitation of the Corridor is of National Significance. Because it is extremely important that the entire Corridor must be rehabilitated consistent with the scope of work identified in the Grant Application, the Board should expeditiously approve LPPC's Feeder Application so that the vital Federal Contribution will not be lost.

This project, when completed, will improve the reliability and safety of rail service over the entire Corridor, as well as open access to both UP and KCS. This is of extreme importance to all who rely upon rail service and is unquestionably in the public interest.

Sincerely,

Jennifer L. Marusak, C.P.E.
Executive Director
Ports Association of Louisiana



MORGAN CITY HARBOR AND TERMINAL DISTRICT

7327 Highway 182 • P. O. Box 1460 • Morgan City, LA 70381

TELEPHONE (985) 384-0850 • FAX (985) 385-1931

Email: office@portofmc.com • www.portofmc.com

October 20, 2020

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

Re: Support of Feeder Line Application filed by the Lake Providence Port Commission to Acquire Segment of McGehee-Tallulah Railroad Corridor Between MP 471.0 and MP 491.0 in East Carroll and Madison Parishes, LA

Dear Ms. Brown:

This letter is written in support of the approval of a Feeder Line Application filed by the Lake Providence Port Commission to Acquire the Segment of McGehee-Tallulah Railroad Corridor Between MP 471.0 and MP 491.0 in East Carroll and Madison Parishes, LA. It is our understanding that the acquisition is required to ensure that the line of railroad between the subject mileposts, which is impassable at points and has not been used to provide rail service since 2017, will be properly reconstructed.

It is extremely important that the entire Corridor be rehabilitated consistent with the scope of work identified in the Southeast Arkansas Economic Development District's INFRA Grant Application seeking Federal financial support of the "Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project." The decision of the U.S. Department of Transportation to provide financial support demonstrates that the rehabilitation of the Corridor is of National Significance. Therefore, the Board should expeditiously approve LPPC's Feeder Application so that the vital Federal Contribution will not be lost.

This project, when completed, will improve the reliability and safety of rail service over the entire Corridor, as well as open access to both UP and KCS. This is of extreme importance to all who rely upon rail service and is unquestionably in the public interest.

President Joseph Cain

Vice-President Lee Dragna

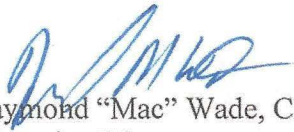
Treasurer Deborah Garber

Secretary Tim Matthews, Sr.

Commissioners: • Ben Adams • Adam Mayon • Peter Orlando • Troy Lombardo • Steven Cornes

Raymond "Mac" Wade, CPE
Executive Director

Very truly yours,
MORGAN CITY HARBOR AND TERMINAL DISTRICT

A handwritten signature in blue ink, appearing to read 'Mac Wade', is positioned above the printed name.

Raymond "Mac" Wade, CPE
Executive Director

cc: Wyly Gilfoil

President Joseph Cain

Vice-President Lee Dagna

Treasurer Deborah Garber

Secretary Tim Matthews, Sr.

Commissioners: • Ben Adams • Adam Mayon • Peter Orlando • Troy Lombardo • Steven Cornes

Raymond "Mac" Wade, CPE
Executive Director

CITY OF LAKE VILLAGE



JOE DAN YEE
MAYOR

November 10, 2020

Cynthia Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board

Re: FD No. 36477, Lake Providence Port Commission—Feeder
Line Application—Line of Delta Southern Railroad Located
In East Carroll and Madison Parishes, LA

Dear Ms. Brown:

This letter of support is written on behalf of the City of Lake Village, Arkansas, its citizens, and businesses that are located in the City who are dependent upon reliable, efficient and economic rail service. It has been brought to my attention that the Lake Providence Port Commission (LPPC) must file a Feeder Line Application with the Board to acquire twenty miles of a line of railroad that is located to the south of Lake Village in the State of Louisiana. It is my understanding that the acquisition is required to ensure that the line of railroad between Milepost 471 and MP 491, which is owned by Delta Southern Railroad, will be rehabilitated. I am advised that it is impassable at points and has not been used to provide rail service since 2017.

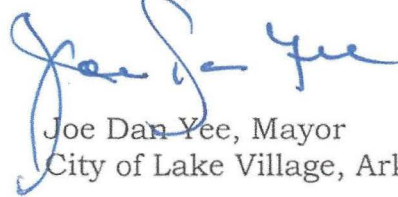
I am aware that Epstein Gin Co. and Epstein Transloading, which have been located in Lake Village for 60 years, have been harmed financially by their inability to obtain any rail service for shipments of cotton seed and other commodities that would be moved over the line of railroad if it were to be reopened. I have been advised that reopening of the segment of track that LPPC seeks to acquire will open access to both UP and KCS. This is of extreme importance to all businesses in the area who rely upon rail service. Because the Epstein companies employ a number of citizens of Lake Village and are in the process of expanding their facilities, which will be of benefit to the City, I strongly support LPPC's application to acquire the real property so that rail service can be reopened and expanded.

I am also aware that the City supported the Southeast Arkansas Economic Development District (SEAEDD) when it filed an INFRA Grant Application seeking Federal financial support of the "Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project." A copy of Lake Village's letter in support of the Grant Application is included as an exhibit to LPPC's Feeder Application.

The decision of the U.S. Department of Transportation to provide financial support demonstrates that the rehabilitation of the Corridor is of National Significance. Without question, the rehabilitation of the Corridor is of extreme local significance as it will provide new economic development in this region of Arkansas which is desperately needed. When the rail corridor is rehabilitated, it will enable local businesses to expand and take full advantage of rail service.

As a result, it is extremely important that the entire Corridor must be rehabilitated consistent with the scope of work identified in the Grant Application. I urge the Board to expeditiously approve LPPC's Feeder Application so that the vital Federal Contribution will not be lost.

Sincerely,

A handwritten signature in blue ink, appearing to read "Joe Dan Yee", is written over the printed name.

Joe Dan Yee, Mayor
City of Lake Village, Arkansas



Mack H. Ball, Jr.
Chicot County Judge

November 10, 2020

Cynthia Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board

Re: FD No. 36477, Lake Providence Port Commission—Feeder
Line Application—Line of Delta Southern Railroad Located
In East Carroll and Madison Parishes, LA

Dear Ms. Brown:

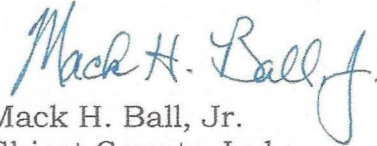
This letter of support is written on behalf of the citizens and businesses located in Chicot County. The county is in the extreme southeastern edge of Arkansas and borders the State of Louisiana. This area of Arkansas and Louisiana is one of the most severely economically distressed regions in the United States. As a result, I was incredibly pleased when I heard that the United States Department of Transportation had granted the Fiscal Year 19-20 INFRA Application that was filed by the Southeast Arkansas Economic Development District (SEAEDD). Given the potential positive economic impact of the re-development of the rail portion of the multimodal corridor, I urge the Surface Transportation Board to grant the Feeder Line Application that has been filed by the Lake Providence Port Commission (LPPC).

Lake Village is the largest community in Chicot County. I am aware that Epstein Gin Co. and Epstein Transloading, which are located in Lake Village, have an immediate need for safe reliable rail service and have been harmed economically by their inability to make full use of rail service to move traffic to both the Union Pacific Railroad in McGehee, Arkansas, and the Kansas City Southern in Tallulah, Louisiana. Because the ability to reach Tallulah requires the rehabilitation of the segment of track beyond Lake Providence, it is essential that LPPC acquire that segment. Because the current owner has advised SEAEDD that it will not commit to reopening the segment, it is in the public interest to allow LPPC, which has the financial ability to restore the tracks, to acquire the twenty-mile segment that is the subject of its Feeder Application.

Past experience readily demonstrates that the failure to grant the Feeder Application will likely doom the railroad. The two small railroads that operate over the line will not be able to restore the tracks without the Federal funding that has been granted to the Public-Private Partnership (P3) that has linked them with a state economic development agency and three public ports. The failure to approve the Feeder Application will have a critical adverse impact on the efforts to develop the inland waterway ports and the various industries that obviously support the reopening of the full rail corridor.

DOT has recognized that this Project is of national significance. The local and regional significance is of importance to all concerned. I therefore urge the Board to expeditiously grant LPPC's Feeder Line Application so that funding can begin.

Sincerely,

A handwritten signature in blue ink that reads "Mack H. Ball, Jr." with a stylized flourish at the end.

Mack H. Ball, Jr.
Chicot County Judge

CERTIFICATE OF SERVICE

I, Richard H. Streeter, do hereby certify that on November 12, 2020, true copies of the following documents were served by U.S.P.S., postage prepaid to the following:

John Molino
Delta Southern Railroad c/o
Continental Rail
2929 E. Commercial Blvd.
Suite PH-D
Fort Lauderdale, FL 33308

Louisiana Public Service Commission
Galvez Building
12th Floor
602 North Fifth St.
P.O. Box 91154 Baton Rouge, LA 70821-9154

East Carroll Parish
400 First St.
Lake Providence, LA 71254

Madison Parish
100 North Cedar St.
Tallulah, LA

Richard H. Streeter

/s/Richard H. Streeter