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HEI-26356

September 26, 2018

Ms. Diana Wood
Project Manager, Office of Environmental Analysis
Surface Transportation Board
395 E Street, SW
Washington, DC 20423-0001

Re: Camp Hall Alternatives- Ridgeville Route

Dear Ms. Wood

Palmetto Railways provides the within response at OEA's request to the February 26, 2018 comment letter of Norfolk Southern regarding Palmetto Railways' proposed Camp Hall Rail Line. At the outset, it is important to note, as your office has acknowledged, that Norfolk Southern does not oppose the project, as it expressly states in its letter, and further provides that it remains "committed to the State of South Carolina in support of its economic development efforts and its rail-based business," of which Palmetto Railways is an integral part.

Rather than write in opposition to the project, the stated purpose of the Norfolk Southern letter is to provide a response and "clarification" to certain of Palmetto Railways' responses to questions posed by OEA in the permitting and review process. In its letter, Norfolk Southern posits that it may have changed its proposal to partner with Palmetto Railways if it had known that Palmetto Railways required the ability to operate as the short-line rail provider and site switch carrier. Having stated that it collaborated with the South Carolina Department of Commerce, Norfolk Southern was in a position to know that the State of South Carolina, through the Department of Commerce, had indicated to Volvo (and the Class I rail carriers, CSX Transportation and Norfolk Southern) that rail to serve the site could be accommodated to enhance the transportation infrastructure for the site which, as the letter acknowledges, was to be provided by and through the State of South Carolina and Palmetto Railways, a division of the Department of Commerce.

Nonetheless, as the state entity applicant that also serves as a short-line operator and switching entity, as Norfolk Southern is aware from its dealings with Palmetto Railways on existing short-line rail operations and on the permitted ICTF project which provides a similar enhancement to the transportation infrastructure in North Charleston, Palmetto Railways requires operational control of the Camp Hall Rail Line facilities. This is a position that is clearly stated in the foundational purpose and need statement for the project. Further, Palmetto Railways, with assistance from the State of South Carolina, is responsible for obtaining the funding for the project. In order to ensure the proper utilization and return on investment of the state-funded rail facilities to serve the advanced manufacturing facility and potential future tenants of the Camp Hall Commerce Park, a



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project applied for, funded, constructed and owned by Palmetto Railways, must be structured in a way that maintains Palmetto Railways' operational control of the yard, switching functions, and interconnecting track to a Class 1 mainline.

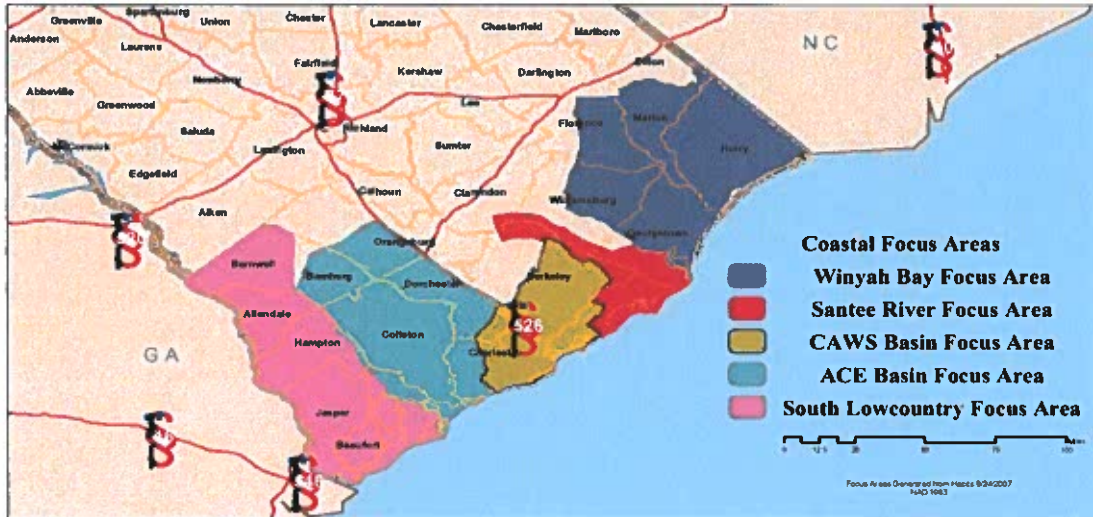
Palmetto Railways appreciates Norfolk Southern's interest in working with Palmetto Railways and its commitment not to contest or challenge the Camp Hall project.

In response to the question posed regarding the environmental impact of the Ridgeville Route and the associated costs to mitigate for those impacts, Palmetto Railways initially refers to the submitted Environmental Report, which details the analysis that it undertook of each of the identified alternatives. This analysis served as a starting point for Palmetto Railways' consideration of the reasonableness of identified alternatives to both meet the purpose and need of the project, while also minimizing impacts to the environment. To that end, Palmetto Railways commissioned environmental consultants to conduct a wetland and stream impact analysis to determine what environmental impacts would be involved with each route, what the expected mitigation would involve for each route, as well as how interested consulting parties and resource agencies might react to the respective impacts and proposed mitigation. As referenced in the Environmental Report, Palmetto Railways identified significant environmental impacts associated with the Ridgeville Route, comprised of impacts caused by, among other things, a crossing of the headwaters of Timothy Creek near the Camp Hall Commerce Park, and an impact on approximately 375 linear feet of stream, deemed to be of high functional quality, in the Four Holes Swamp watershed.

In evaluating the environmental impacts of each of the evaluated alternatives, resource and consulting parties emphasized the importance of Timothy Creek, as well as the preference for avoiding significant impacts to the waterway. Timothy Creek is a primary headwater tributary of the Four Holes Swamp, and it has been identified by resource agencies as critical to the long-term protection of the aquatic health and resilience of Four Holes, one of the four major sub-basins of the Edisto River and ACE Basin. Taking an even broader view, state, regional and local efforts were established in the 1990's to begin conservation of critical lands within the South Carolina Coastal Plain watersheds and ecoregions. The ACE Basin, through which a portion of the Ridgeville Route is located, is one of five primary coastal focus areas established through those combined efforts (see below Figure), which collectively have been successful in protecting over 1,200,000 acres of lands and which efforts continue to be a primary focus of resource and consulting parties today.



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The Four Holes Swamp Watershed (HUC 03050205) includes portions of two EPA Level III ecoregions, the Southeastern Plains and Middle Atlantic Coastal Plain, within the larger Edisto River Basin and is a major tributary to the Edisto River eight-digit HUC 03050206. The Four Holes Swamp Watershed is located to the northwest of the Charleston metropolitan area and includes portions of Calhoun, Orangeburg, Berkeley and Dorchester Counties, the towns of Holly Hill, Bowman and Cameron, portions of the City of Orangeburg and the towns of Eutawville, Vance, Santee, Elore, Harleyville and Ridgeville. The predominant land uses within the watershed are agriculture and silviculture. The total land area of this watershed is $\pm 418,228$ acres. SCDHEC Watershed Water Quality Assessment of the Edisto River Basin in 2012 indicates approximately $\pm 97,457$ acres of aquatic resources and $\pm 320,771$ acres of uplands within the Four Holes Swamp eight-digit watershed. Urban land uses comprise approximately 6% of land area within the Four Holes Swamp Watershed, agriculture approximately 37% and forested upland approximately 34%. Fish and wildlife concerns identified by SCDNR and NRCS focus primarily on loss and fragmentation of habitat as a result of land use changes in the watershed, i.e. agriculture and urban and industrial development.

On the western side of Interstate 26, the Ridgeville Route would tie into a to-be-constructed Norfolk Southern line at the Ridgeville Commerce Park, just outside of the Town of Ridgeville, which is near or adjacent to 18,500 acres of the Audubon Center and Sanctuary at Francis Beidler Forest, a Ramsar Wetlands Site of International Importance and Continentally Important Bird Area for a suite of priority neotropical migratory birds. Home to 1,800 acres of virgin cypress tupelo, the Four Holes Swamp has been identified by resource groups, including the Coastal Conservation League, Audubon, Lowcountry Land Trust, Open Space Institute, Ducks Unlimited, and Nature Conservancy SC, as threatened by industrial development in its headwaters, including Timothy Creek. In addition, these areas have been identified as areas of greater concern and for protection by both Santee Cooper, which is in the process of marketing the remainder of the Camp Hall Commerce Park site. As part of its mitigation plan for the impacts associated with the development of the



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remainder of the Camp Hall Commerce Park, Santee Cooper has placed restrictive covenants on much of the area in which the Ridgeville route was planned under DA Permit No. 2015-01764 (issued February 8, 2017, as modified by letter of the Corps dated April 28, 2017). Protecting this forested landscape reduces potential future negative impacts to wildlife and water quality in the Four Holes Swamp. At a regional scale, the area impacted by the Ridgeville Route adds to the matrix of protected lands in the tri-county Greenbelt (Charleston, Dorchester, and Berkeley Counties) that spans from the St Helena sound through East Edisto and protects the wildlife corridor from the Santee lakes to the Francis Marion national forest and Santee coastal reserve.

Throughout the Four Holes Swamp and ACE Basin areas, substantial growth has occurred and is continuing to occur in incorporated areas, including the development of major road and rail corridors and other areas identified by the respective County's comprehensive plans. This growth is spurred by development along the major transportation corridors of I-26 and I-95 along with the associated infrastructure necessary to support such development, all of which is projected to continue within the watershed. Growth and development in the area has caused Audubon and other conservation groups to practice land conservation in the Four Holes Swamp since at least 1969, commencing with an initial purchase of land which is today the ± 18,000-acre Francis Beidler Forest and which includes the world's largest, old growth cypress-tupelo swamp forest. The Beidler Forest was designated a National Natural Landmark in 1979 and a Ramsar Wetland of International Importance in 2008, one of only two such designations in South Carolina. Specific watershed needs/protection strategies identified by resource groups like SCDHEC, SCDNR, NRCS and others, as well as resource groups identified above, include development of TMDL's for impaired waters (a TMDL has been approved for fecal coliform), preservation/enhancement/restoration of aquatic resources and expanding overall land conservation efforts to protect wildlife habitats and corridors.

Palmetto Railways appreciates the opportunity to provide clarification on these matters and looks forward to the release of the draft Environmental Assessment. Please feel free to reach out to me directly if any additional information is needed.

Sincerely,

T Ravenel
Director of Special Projects

CC: Elizabeth Williams, USACE (via email)
John Winkle, FRA (via email)