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HEI-26285

August 22, 2017

Victoria Rutson, Esq.
Director, Office of Environmental Analysis
Surface Transportation Board
395 E Street, SW
Washington, DC 20423-0001

**Re: STB Docket No. FD 36095, Palmetto Railways – Construction
and Operation Exemption – In Berkeley County, South Carolina;
Request for Reclassification**

Dear Ms. Rutson,

Pursuant to 49 C.F.R. §1105.6(d), I am writing on behalf of Palmetto Railways, petitioner in the above-captioned proceeding, to request that the Surface Transportation Board (the Board) waive the requirement of 49 C.F.R. § 1105.6(a) of the preparation of an Environmental Impact Statement (EIS) in favor of the preparation of an Environmental Assessment (EA). Palmetto Railways submits that a reclassification is appropriate because the proposed construction of the Camp Hall Rail Line (Proposed Line) is not likely to have a significant environmental impact such that a waiver under § 1105.6(a) and the preparation of an EA will be sufficient to address the impacts of the proposed construction. In support of this request, Palmetto Railways submits the following information in accordance with §§ 1105.6(b) and 1105.7(e).

I. Introduction

The Proposed Line is intended to bring industrial rail service to the Camp Hall Commerce Park, an industrial development comprising approximately 6,781 acres in Berkeley County, South Carolina. The Proposed Line will connect the Camp Hall Commerce Park to the existing CSX Transportation, Inc. (CSXT) A-Line in Berkeley County (through the CSXT Cross Subdivision connection). Once constructed, the Proposed Line will run approximately 22.7 miles through Berkeley County, with a 100-foot right-of-way.

In support of the Proposed Line, on September 6, 2016, Palmetto Railways sent a letter to your office providing an initial description of the Camp Hall Rail Project and requesting that the Office of Environmental Analysis (OEA) initiate the environmental review process, in



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conjunction with the United States Army Corps of Engineers, Charleston District (USACE), under their respective jurisdictions in accordance with the National Environmental Policy Act of 1969, as amended 42 U.S.C.A. §§ 4321 *et seq.* (NEPA). On November 30, 2016, members of your staff and the Office of Public Assistance, Government Affairs, and Compliance (OPAGAC) met with representatives of Palmetto Railways, the South Carolina Department of Commerce (SCDC), of which Palmetto Railways is a division, and the USACE. Following that meeting, on January 24, 2017, Palmetto Railways filed a request for a waiver of the six-month pre-filing notice requirement, which your office granted on February 3, 2017. Consistent with the procedures set forth in 49 C.F.R. § 1105.10(d), on March 28, 2017, Palmetto Railways requested the approval of OEA to retain ICF Jones and Stokes Inc. (ICF) as an independent third-party consultant for the preparation of the necessary environmental documentation for the project. On April 3, 2017, OEA approved ICF as the third-party contractor for this project. Thereafter, Palmetto Railways, ICF, OEA, and the USACE executed a memorandum of understanding setting out the parameters of ICF's preparation of environmental documentation for the project.

In addition, on March 10, 2017, OEA sent a letter to the USACE formally requesting that it participate as a joint lead agency in the preparation of the environmental documentation for the Proposed Line under NEPA. In a letter dated April 19, 2017, the USACE accepted OEA's request to participate as a joint lead agency for the project. OEA and the USACE subsequently executed a memorandum of understanding outlining the respective responsibilities of the agencies as joint leads for the project.

Thereafter, on August 2, 2017, Palmetto Railways submitted documentation to OEA in support of the Proposed Line, including copies of its communications with required resource agencies, a comprehensive Environmental Report, wetland jurisdictional determination and proposed Permittee Responsible Mitigation Plan (PRM Plan), as well as materials related to Palmetto Railways' public engagement and involvement efforts for the Proposed Line. Additionally, on August 3, 2017, Palmetto Railways filed a Petition for Exemption with the Board from the prior approval requirements of 49 U.S.C.A. § 10901, to permit the construction and operation of the Proposed Line. Palmetto Railways is unaware of any further actions taken by ICF or OEA with respect to the Proposed Line.

The Board's regulations provide that under normal circumstances, preparation of an EIS is generally required for the proposal of rail construction matters. 49 U.S.C.A. § 1105.6(a). Notwithstanding, the Board's regulations permit the modification of the EIS requirement if an applicant demonstrates with supporting information that a particular proposal is not likely to



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have a significant environmental impact. 49 U.S.C.A. § 1105.6(d) (“The Board may reclassify or modify these requirements for individual proceedings ... in a rail construction, an applicant can seek to demonstrate (with supporting information addressing the pertinent aspects of § 1105.7(e)) that an EA, rather than an EIS, will be sufficient because the particular proposal is not likely to have a significant environmental impact.”). Palmetto Railways respectfully submits that, for the reasons set forth below, and in accordance with the standards of §§ 1105.6(d) and 1105.7(e), the preparation of an EA will be sufficient in this matter because the Proposed Line is not likely to have a significant environmental impact.

1. Proposed action and alternatives.

Palmetto Railways has requested regulatory authority to located, build, own, and operate an industrial rail line to interconnect the Camp Hall Commerce Park with the existing rail network of CSX Transportation, Inc. (CSXT) in Berkeley County, South Carolina. The need for the Proposed Line derives from the development within the Camp Hall Commerce Park, which has increased the demand for rail service to interconnect the commerce park with a Class 1 rail network within South Carolina, in a manner that is logistically feasible to better serve the need of the future tenants and industry within the Camp Hall Commerce Park for transportation, distribution, and logistics. Tenants of the commerce park include, but are not limited to, Volvo Cars North America (“Volvo Cars”), as well as any associated support industries that might desire to locate in proximity to Volvo Cars in the future.

The Camp Hall Commerce Park comprises approximately 6,781 acres, of which 2,880 acres have been permitted by Berkeley County for development of the Volvo Cars facility (Project Soter – SAC-2015-0476-SIR). An additional 1,387 acres of the Camp Hall Commerce Park is being permitted for industrial development by Santee Cooper (SAC-2015- 01764). The Proposed Line is intended to bring industrial rail service to both planned phases of the Volvo Cars facility, as well as the areas being developed by Santee Cooper, which will enhance the options for distribution and logistics for the industrial development and the customers that locate at the Camp Hall Commerce Park. In addition, the proposed industrial rail service will support the State of South Carolina and Berkeley County’s infrastructure needs and will help alleviate highway congestion involving large commercial trucks.

Once constructed, the Proposed Line will be approximately 22.7 miles, with a 100-foot right-of-way (0.85 square miles). The Proposed Line will originate on Santee Cooper property adjacent to its Cross Generating Station, and will cross the Diversion Canal between Lake



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Marion and Lake Moultrie, running south-southwest to the Camp Hall Commerce Park (Project Corridor). South of the Diversion Canal, the Project Corridor is proposed to traverse the unincorporated rural community of Cross, estimated total population of 7,253 in 2015. Beyond the Cross community, the Project Corridor will continue south through an intensively managed pine plantation in short pulp rotations, before reaching the Camp Hall Commerce Park.

In connection with this proposal, Palmetto Railways conducted a detailed Alternatives Analysis to identify a range of reasonable alternatives that meet the project's purpose and need, which as a part of the Environmental Report submission made to OEA on August 2, 2017 and includes a readable, detailed map and drawings clearly delineating the project. The Alternatives Analysis evaluated potential routes from existing Class 1 rail networks to the Camp Hall Commerce Park, reviewing and evaluating potential impacts of the Proposed Line on environmental, economic, and socioeconomic resources, as well as cultural resources. Six alternative route alignments were considered under Level 1 of the Alternatives Analysis, with four alignments advanced to Level 2, including a No Action/No Build alternative. In light of the information gathered and evaluated, Palmetto Railways determined that the Cross option, beginning near Santee Cooper's Cross Generating Station and terminating at the Camp Hall Commerce Park, was the preferred alternative. Four separate Cross Route alignments were then analyzed in Level 3 of the Alternatives Analysis, and Cross Route 3 (*i.e.*, the Proposed Line) was selected as the most practical route with the least amount of overall impacts, as judged by the potential impacts to environmental, economic, and socioeconomic resources.

The Proposed Line will pass through a mix of commercial, residential, and silvicultural properties. This alignment was selected in part because it is within the range of reasonable impacts, affects the least amount of parcels within the project right-of-way (ROW), does not require any relocations, has no known archaeological site, and does not affect the Caton Creek Mitigation Bank. The Proposed Line's planned Project Corridor is primarily covered by forests, forested wetlands, and open water. Additionally, because the majority of the preferred alternative alignment is in active silviculture areas, it will have minimal hazardous effects on potential environmental justice communities.

2. Transportation system.

The Proposed Line is intended to bring an additional transportation mode that enhances options for distribution and logistics for the industrial development and the customers that locate at the Camp Hall Commerce Park, providing the park's only available rail service. In addition,



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the proposed industrial rail service will support the State of South Carolina and Berkeley County's infrastructure needs and will help alleviate highway congestion involving large commercial trucks. Movement of the Camp Hall Commerce Park traffic by rail instead of truck will be beneficial due to the reduced highway congestion and associated air and noise pollution and energy consumption. Consequently, it is not expected that construction of the Proposed Line will divert passenger or freight traffic to other transportation systems or modes.

The majority of the roads listed within the Project Corridor are secondary agricultural and forestry roads. Aside from Interstate I-26, traffic volumes on surrounding roadways are currently relatively low. It is expected that local and regional transportation infrastructure levels would be increased by the development of the Camp Hall Commerce Park; however, the construction of the Proposed Line will have a significant beneficial impact to that expected outcome. The route alternative proposed by Palmetto Railways is within the range of expected road crossings for the area, intersecting three two-lane highways, including US Highway 176, SC Highway 311, and Old Highway 6, fifteen (15) secondary roads, and twenty-one (21) minor forestry/agricultural roads. For additional information related to transportation for the Proposed Line, please refer to Sections 3.7.13 and 6.11 of the Environmental Report submitted on August 2, 2017.

3. Land use.

The Study Area for land use, consisting of each alternative alignment's ROW, occupies a total of 1,631 acres. According to the United States Geological Survey (USGS) Land Cover Institute (LCI), land uses within the Study Area include developed areas, croplands, shrublands, herbaceous areas, forests, wetlands, and open waters. Prime farmland soils will be directly impacted on all four alternative rail alignments, although some of the farmland soils consist of existing development or are not used for agriculture and would be declassified as farmland. Land use along the preferred alternative alignment includes a mix of commercial, residential, silvicultural, and wetlands. The Proposed Line's projected ROW is mostly covered by forests, forested wetlands, and open water. According to the LCI, only 1.5% of the preferred alternative alignment ROW is classified as developed land. The Proposed Line has the support of local and/or regional planning agencies and is consistent with existing land use plans for the area. Finally, the Project Corridor is neither within the coastal zone nor a previous rail ROW that is or has been abandoned. For additional information related to land use for the Proposed Line, please refer to Sections 3.7.1 and 6.1 of the Environmental Report submitted on August 2, 2017.



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4. Energy.

The Proposed Line will result in new rail traffic, creating a modest net increase in energy use for train operations. Regarding energy efficiency, it is expected that the vast majority of the rail movements facilitated by the Proposed Line will consist of new capacity to this region, based on the new development of the Camp Hall Commerce Park; therefore, the purpose of the Proposed Line is not to address the relative existing energy efficiency. Notwithstanding, because the Proposed Line is expected to have available capacity in excess of the needs generated by the new development (based on an average of five (5) roundtrips per week, it is estimated that 260 trains would operate over the Proposed Line each year), Palmetto Railways submits that it expects the Proposed Line to provide a net increase in overall energy efficiency. The Proposed Line will have no adverse effect on recyclable commodities, and no diversions of existing traffic from rail to motor carriage are expected to occur as the Proposed Line is intended to divert existing and future motor carriage to rail.

5. Air.

Because the Proposed Line involves the construction of a new rail line, § 1105.7(e)(5)(i)(C) specifies that the metric of consideration by OEA is whether the Proposed Line will result in an increase of at least eight trains a day. As stated above, Palmetto Railways expects to conduct an average of five (5) roundtrips per week; therefore, the Proposed Line does not implicate the regulation's threshold for quantifying the anticipated effect on air emissions. The proposed action does not affect a class I or nonattainment area under the Clean Air Act, as sampling data compiled by the South Carolina Department of Health and Environmental Control continues to show that the entire state of South Carolina is in attainment of the National Ambient Air Quality Standards (NAAQS). Further, transportation of ozone depleting materials (including nitrogen oxide and Freon) is not contemplated. Construction and operation of the Proposed Line will be in attainment with the U.S. Environmental Protection Agency's established NAAQS. It is expected that Palmetto Railways and their contractors will maintain their vehicles/equipment so that carbon monoxide, ozone-producing chemicals and other emissions are kept to a minimum. On a macro-scale, although the Proposed Line will add incremental emissions within the Project Corridor, those anticipated emissions are anticipated to have an immaterial impact on air quality in the North Charleston-Summerville-Charleston Metropolitan Statistical Area (MSA) and thus be within allowable concentration limits for emissions in the state. In summary, the Proposed Line will have a negligible to minor impact on the air quality levels for criteria pollutants and is not expected to result in adverse impacts associated with toxic air pollutants in



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the areas immediately surrounding the Project Corridor. For additional information related to air quality for the Proposed Line, please refer to Sections 3.7.2 and 6.3 of the Environmental Report submitted on August 2, 2017.

6. Noise.

A baseline noise-level survey has not been conducted for any of the alignment alternative ROWs. However, a limited noise and vibration screening study was conducted to comply with NEPA requirements for the Proposed Line, which was based on the assumption that Palmetto Railways would operate five (5) roundtrip freight trains per week from Camp Hall Commerce Park. In addition, a Screening Noise Assessment was performed using aspects of the General Noise Assessment and General Vibration Assessment in accordance with Federal Transit Administration guidelines as well as the CREATE Program guidelines, and future anticipated rail traffic volumes were evaluated in order to assess the Project-related effects of airborne noise.

The evaluation of potential noise and vibration impacts included two parts: screening procedure and general assessment. The screening procedure was somewhat qualitative and used basic information about the project and the area of proposed operation to develop an inventory of sensitive sites and/or receivers. Following the screening procedure, a general assessment was completed to develop more quantitative estimates of Project-related noise levels. By calculating Project-related train noise and existing noise at each receiver, the two types of noise can be compared with specific impact criteria, based on the type of land use that best describes the receiver. The impact criteria are used to designate each receiver as being severely impacted, moderately impacted, or not impacted.

The procedures described above identified 85 receptors; however, only six (6) residential structures would be classified as having moderate impacts. Locomotive horn use at public-at grade crossings is the primary cause of the predicted noise impacts at these locations. Because use of horns at crossing is a necessary feature to protect the public at these crossings, no change or modification of the standard warning procedure is mandated by these moderate impacts to six residences. With respect to vibratory impacts, none of the 85 receptors identified during the screening are within the impact distances. The projected vibration from the project is below the impact threshold; therefore, material vibration impacts are not anticipated with the Proposed Line.

Overall, it is expected that the Project Corridor would have noise levels typical of a rural environment surrounded by an active transportation corridor. Ambient noise within the Project



Corridor consists mainly of transportation (highway and railroad), commercial/agricultural activities, rural, and natural sounds (e.g. moderate voice, wind, wildlife, and similar sounds). The noise-sensitive receptors described above as within and adjacent to the alternative alignment ROWs include areas associated with single family housing. Noise impacts from the Proposed Line are expected to be minimal, as the Proposed Line will be operated in accordance with the Federal Rail Administration's (FRA) Noise Emission Compliance Regulations, including guidance documents and assessment procedures developed by the FRA for assessing train noise, horn noise, and vibration impacts from rail projects. For additional information related to noise for the Proposed Line, please refer to Sections 3.7.3 and 6.4 of the Environmental Report submitted on August 2, 2017.

7. Safety.

The Proposed Line is not expected to have an adverse impact on public health. A Phase I Environmental Site Assessment (ESA) was performed on the Proposed Line to identify the presence or likely presence of hazardous substances in, on, or at a property. In addition, a search for potential hazardous waste sites within 100 feet of the rail alignment alternatives' ROWs was performed, and one hazardous waste site, the Cross Generating Station, was identified within 100 feet of the Proposed Line. The site is the Santee Cooper electric generating plant, located in Cross, SC, which is listed on the following environmental databases: State Hazardous Waste Sites (SHWS), Underground Storage Tank (UST), Leaking Underground Storage Tank (LUST), Solid Waste Facilities/Landfill, and Permitted Airs Facility Listing (AIRS). The proposed ROW routes adjacent to an ash disposal/landfill area at the plant site. No other hazardous waste sites or Environmental Data Resources (EDR) listed facilities are present in the Project Corridor. Further, it is not contemplated that hazardous materials will be transported over the Proposed Line. In addition, a Spill Prevention, Control and Countermeasures Plan (SPCCP), a Stormwater Pollution Prevention Plan (SWPPP), and an Oil and Hazardous Substance Contingency Plan (OHSCP) will be developed to show locations and quantities of waste material generated and provide disposal requirements. Thus, construction and operation of the Proposed Line has a low potential to generate hazardous waste.

With respect to vehicle delay times, as described above, the Proposed Line will intersect three two-lane highways, including US Highway 176, SC Highway 311, and Old Highway 6, fifteen (15) secondary roads, and twenty-one (21) minor forestry/agricultural roads. According to the South Carolina Department of Transportation Traffic Point Data, between 3,900 and 7,800 vehicles are estimated to traverse US Highway 176 per day, 1,400 vehicles/day on SC Highway



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311, and 1,300/day on Old Highway 6. Vehicle delays approaching at-grade crossings along the Proposed Line are expected. It is estimated that each delay caused by a train traversing the Proposed Line would last less than five (5) minutes. Given the expected frequency of trips planned by Palmetto Railways, *i.e.*, five (5) roundtrips, for a total of ten (10) potential delays in a week, these delays are not expected to materially impact public safety in these areas.

With respect to vehicular safety, Palmetto Railways has proposed using a combination of active and passive warning and control devices at all at-grade rail crossing intersections. In addition, several at-grade crossings, including at Shortcut Road, Old Highway 6, and Ranger Road, have already been identified as intersections of concern within the communities in which they are located; therefore, Palmetto Railways intends on implementing early warning systems in those locations. At each of the crossings, Palmetto Railways intends on following the Manual of Uniform Traffic Control Devices for guidance as to the specific type of warning or control device that is required for each intersection in conjunction with public awareness and rail safety awareness programs, including the Operation Lifesaver program, directed at targeted audiences throughout the impacted communities along the ROW. For additional information on safety along the Proposed Line, please refer to the Avoidance, Minimization and Mitigation Plan submitted in conjunction with the Environmental Report on August 2, 2017.

8. Biological resources.

The Proposed Line will not impact any known archeological or historical sites, and the preferred alternative alignment will not impact any protected or conserved lands. There are no Section 6(f) properties within the Study Area. Although there are multiple private, protected, and public lands within the vicinity of the Study Area, including two Moultrie Hunt Unit Wildlife Management Areas, owned by Santee Cooper, and the Caton Creek Mitigation Bank, owned by MeadWestvaco, alignment modifications within the corridor of the preferred alternative alignment would eliminate potential impacts.

Potential habitats for several federally endangered species, including known bald eagle, Shortnose Sturgeon, Atlantic Sturgeon, and West Indian Manatee occurrences, are located within the general region of the Project Corridor. There are seven (7) known bald eagle occurrences within a half mile of the Proposed Line, near the Diversion Canal and Lake Moultrie; however, none of these nests are directly within the Project Corridor. Meanwhile, shortnose sturgeon, Atlantic sturgeon, and West Indian manatee populations are known to exist in Lake Marion and Lake Moultrie; however, with the use of appropriate best management practices, the Proposed



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Line will not likely adversely impact these species. Additionally, habitat for the red-cockaded woodpecker and wood stork may be present within the Project Corridor; however, this habitat is of low quality and would not be a limiting factor for either of these species. There is no likely adverse effect to these species. Finally, the Proposed Line will have no effect on the frosted flatwoods salamander, Canby's dropwort, pondberry, or American chaffseed. For additional information on biological resources along the Proposed Line, please refer to Sections 3.7.9 and 6.8 of the Environmental Report submitted on August 2, 2017.

9. Water.

The Proposed Line is expected to impact jurisdictional waters of the United States, including streams and wetlands. Third-party consultant Amec Foster Wheeler conducted a preliminary jurisdictional waters screening to assess the potential presence/absence of jurisdictional waters, including wetlands, and to approximate the potential jurisdictional boundaries within each of the four alternative project corridors. The preliminary screening used National Wetland Inventory (NWI) mapping of the respective project corridors. Limits of jurisdictional wetlands and other waters of the U.S. within the preferred alternative route corridor will be field delineated prior to final design and permitting. Thereafter, a jurisdictional waters delineation was performed by third-party consultant Sabine & Waters between April, 2016 and January 28, 2017. The determination was submitted to and concurred with by the USACE (USACE SAC# 2016-01395). A supplementary jurisdictional determination request was submitted to the USACE by Sabine & Waters on May 10, 2017 to increase the study area to account for alignment changes at the north and south end of the project area.

The Proposed Line is located mostly within the Cooper River watershed (8-digit HUC: 03050201) of the Ashley River Sub-basin, with a small portion located in the Four Hole Swamp watershed (8-digit HUC: 03050205) of the Edisto River Sub-basin. Based on NWI data, 26.08 percent of the Cross alignment has been determined to be wetland. The preliminary NWI data indicated that this alignment would potentially impact 1.44 acres of emergent wetlands, 97.46 acres of forested wetlands, 16.25 acres of shrub/scrub wetland, and 1.89 acres of open water (ponds & lakes), for a total potential impact of 117.04 acres. Unavoidable wetland impacts along the project corridor will generally include fill and clearing impacts to wetlands and culvert, piping, and shade impacts to streams and jurisdictional ditches. In addition, the Proposed Line will cross five (5) FEMA regulated 100-year floodplains, but will not cross any FEMA regulated floodways, although other alternative alignments considered would have crossed FEMA regulated floodways in addition to crossing floodplains. Palmetto Railways is continuing to



explore further design modifications that would potentially reduce the impacts shown by the preliminary NWI data. Where physically and financially feasible, Palmetto Railways intends on implementing these avoidance and minimization measures and is therefore optimistic that the overall impacts of the Proposed Line will be less than what was preliminarily projected.

Surface water impacts are also expected from the Proposed Line. According to the USGS National Hydrology Dataset, all of the alternative routes would cross several named streams, as well as numerous agricultural ditches. The Proposed Line alignment would cross the Diversion Canal, a state navigable water, as well as 8 USGS named streams and 7 minor tributaries or major ditches. These named streams include Big Run, Black Creek, Caton Creek, and Mill Branch. The primary water quality impacts are likely to result from the conversion of forested areas to maintained railroad right of way and the channelization of stormwater runoff along certain areas. Because of these potential impacts, Palmetto Railways proposes to use a variety of mitigation factors, discussed in Section 10, below, in order to avoid and/or minimize the Proposed Line's expected water impacts.

No permit under 33 U.S.C.A. § 1342 is required for the Proposed Line. For additional information on water quality and wetland impacts along the Proposed Line, please refer to Sections 3.7.7-8 and 6.6 of the Environmental Report and Appendix B attached thereto, submitted on August 2, 2017.

10. Proposed mitigation.

Palmetto Railways is committed to implementing measures to avoid and/or minimize potential impacts of the Proposed Line. In regard to potential wetland and surface water impacts, Palmetto Railways intends to utilize construction techniques that will minimize the amount of fill material to waters of the U.S. and to design culverts and bridges to maintain the existing flow/exchange and hydrology for wetland areas and marshes. To mitigate potential water quality impacts from the Proposed Line, a variety of post-construction stormwater best management practices will be used to convey, filter, and dissipate runoff from the Proposed Line, including but not limited to: vegetated swales, vegetated filter strips, stream bank stabilization, and channelized flow dissipation. Palmetto Railways is committed to implementing additional avoidance and/or minimization measures as specific impacts are identified.

In order to address unavoidable impacts of the construction of the Proposed Line, Palmetto Railways has prepared a mitigation plan that includes a combination of landscape PRM and the purchase of mitigation bank credits. For impacts within the Four Hole Swamp



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watershed, Palmetto Railways has proposed to purchase sixty (600 wetland credits from the Francis Beidler Forest Mitigation Bank. For impacts within the Cooper River watershed, PRM is proposed at the Fairlawn C1 Parcel site, a 1,550-acre site within Francis Marion National Forest, that will consist of both enhancement and preservation of wetlands and streams and is expected to generate approximately 1,258 credits from enhancement and preservation activities. Landscape mitigation activities include enhancement of 550 acres of wetlands, the preservation of 43 acres of wetlands and the preservation of approximately 14,000 linear feet of streams. Once PRM activities are completed, Palmetto Railways proposes to transfer the property to the United States Forest Service, which will permanently protect the site and make open to the public 1,000 acres of land, including 539 acres of wetlands. The PRM Plan has been designed to satisfy the compensatory mitigation requirements for the authorized impacts to jurisdictional wetlands, such that the acreage and corresponding credits generated by the plan will produce more in-kind compensatory mitigation that would be required for the impact. A copy of Palmetto Railways' Avoidance, Minimization and Mitigation Plan, as well as its Draft Wetlands Mitigation Plan, were submitted to OEA as a part of the Environmental Report on August 2, 2017.

11. Additional Information

The proposed route and the alternative routes that were considered are discussed in detail in the Alternatives Analysis section of the Environmental Report submitted on August 2, 2017. As discussed above, the Proposed Line will originate on Santee Cooper property adjacent to its Cross Generating Station, and will cross the Diversion Canal between Lake Marion and Lake Moultrie, running south-southwest to the Camp Hall Commerce Park (Project Corridor). South of the Diversion Canal, the Project Corridor is proposed to traverse the unincorporated rural community of Cross, estimated total population of 7,253 in 2015. Beyond the Cross community, the Project Corridor will continue south through an intensively managed pine plantation in short pulp rotations, before reaching the Camp Hall Commerce Park. A plan view showing the relationship to the existing transportation network and the right-of-way according to ownership is attached hereto as Exhibit A. The Proposed Line's consistency with existing land use requirements is discussed in more detail above in Section 3, as well as Sections 3.7.1 and 6.1 of the Environmental Report submitted on August 2, 2017.

Descriptions of the range of alternative routes that were evaluated, including a no-build alternative, are set forth in Sections 3.4.2 and 3.6 of the Alternatives Analysis section of the



Environmental Report submitted on August 2, 2017. Further, the reasons for rejecting the alternative routes are set forth in Sections 3.5 and 3.8 of the Alternatives Analysis section.

Development of construction plans, including labor force requirements, the location of borrow pits, if any, and earthwork estimates are ongoing. Should borrow pits be required during construction of the Proposed Line, sand and gravel aggregate may be obtained either from on-site activities or from local, off-site sources.

Palmetto Railways expects to operate five (5) roundtrip freight trains per week, with maximum operating speeds projected to be 25 miles per hour. During the operation of the proposed rail, diesel-electric engines will be utilized. Each train will consist of approximately 30 railcars. Following construction, implementation of soil stabilization and vegetation management measures and proper maintenance BMPs will reduce the potential for erosion impacts during operations.

While it is expected that daily commute times could increase depending on train arrival and departure times, due to the limited number of rail cars and decreasing traffic trends in Cross, commute time increases are expected to be minimal. To the extent that any additional traffic impacts occur during construction of at-grade crossings, traffic control will be administered in accordance with SCDOT's "2017 Work Zone Traffic Control Manual" to mitigate traffic impacts to the greatest practical extent. Given the expected frequency of trips planned by Palmetto Railways, *i.e.*, five (5) roundtrips, for a total of ten (10) potential trips in a week, train operations are not expected to materially impact public services in the area. Palmetto Railways will coordinate with emergency services to address concerns with delays and will train local first responders on rail safety. Palmetto Railways will also provide a 24-hour emergency contact which first responders can call in the event of an emergency. Further, Palmetto Railways intends to partner with the Berkeley County Emergency Services Division and the Cross Rural Fire District to upgrade equipment and/or facilities to improve services for the Cross Community.

Socioeconomic impacts are anticipated to be minor. Construction of the Proposed Line would result in major short-term benefits to the local and regional economy, and long-term economic benefits could also occur from employment opportunities directly and indirectly created by the construction of the rail and connection to the Camp Hall Commerce Park. Additional development at the Camp Hall Commerce Park could also bring higher paying jobs into an economically depressed area. These job opportunities and increased tax base could help off-set any cumulative impacts to residents of the area. For additional information about the



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societal impacts of the Proposed Line, as well as Palmetto Railways' proposed mitigation for same, please refer to Section 6.10 of the Environmental Report and the Avoidance, Minimization and Mitigation Plan submitted on August 2, 2017.

II. Conclusion

Based on the information discussed and referenced herein, as well as any additional information to be provided, Palmetto Railways submits that, in accordance with §§ 1105.6(b) and 1105.7(e), the construction of the Proposed Line is not likely to have a significant environmental impact such that a modification of the EIS requirement is justified, and the preparation of an EA will be sufficient to address the impacts of the proposed construction. Accordingly, Palmetto Railways respectfully requests that the Board reclassify this action in order to accept the preparation of an EA rather than an EIS.

Please let me know if you have any questions. We greatly appreciate your assistance and look forward to working with you on this project.

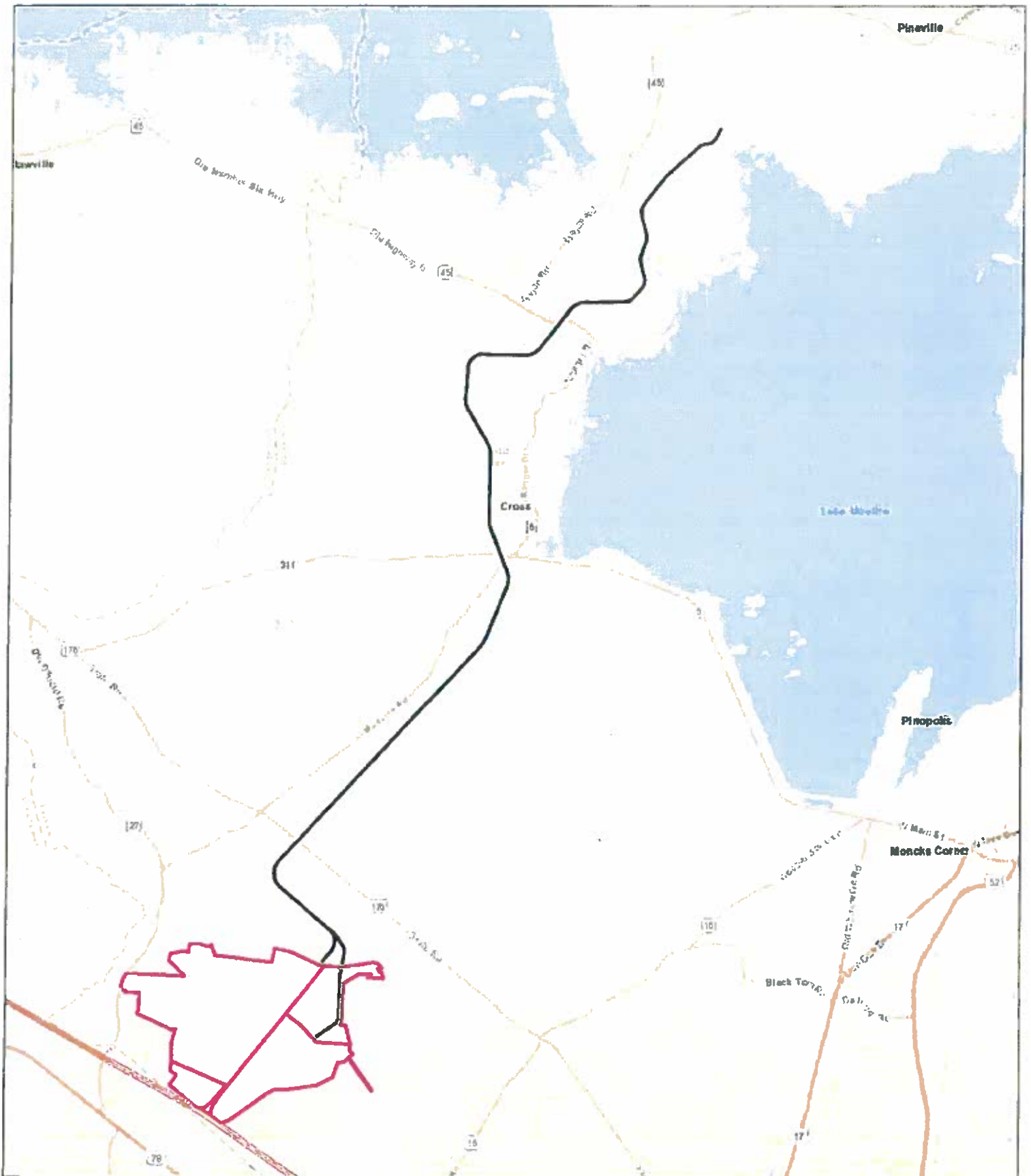
Sincerely,

Jeffrey M. McWhorter
President and CEO

**STB Docket No. FD 36095,
Palmetto Railways – Construction and Operation Exemption –
In Berkeley County, South Carolina
Request for Reclassification**

EXHIBIT A

**(to Palmetto Railways’
Request for Waiver of EIS Requirement)**



1 in = 2.5 miles

0 2.5 Miles

 Camp Hall Industrial Park

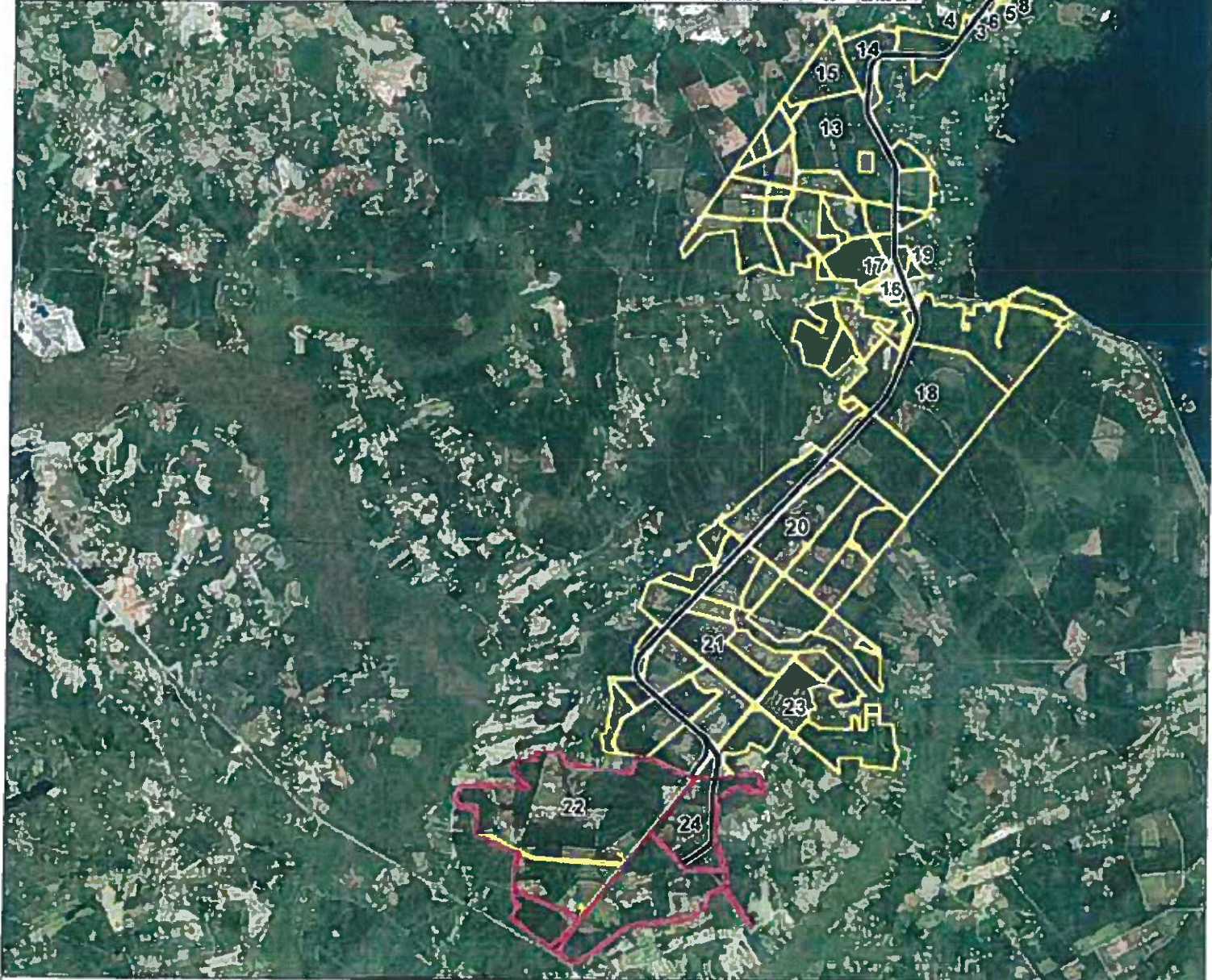
 Alignment

Camp Hall Rail Preferred Route



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Map Label	ParcelID	OwnerName	CareOf	Street Address	City	State	Zip
1	022-00-03-093	CLARKE ROBERT		1169 SPRINGWOOD RD	PINEVILLE	SC	29468-3451
2	032-00-03-048	CROSS GENERATING PLANT	C/O SANDY SANDERS	PO BOX 2946101	MONCK'S CORNER	SC	29461-6101
3	042-00-01-035	COHEN PHYLLISS		500 Carlen AVE Apt 1231	Lexington	SC	29072-4281
4	042-00-01-036	JOHNSON LAWRENCE K ETAL		52 Westbrook LN	Roosevelt	NY	11575-1041
5	042-00-02-041	CROSS ANDREW H		4499 Chicora St	Columbia	SC	29206-2901
6	042-00-02-045	MACK JOSEPH D ETAL	C/O CLOIE L MACK	PO BOX 65	CROSS	SC	29436-0061
7	042-00-02-046	MACK ROBERT HERS OF		PO BOX 65	CROSS	SC	29436-0061
8	042-00-09-040	PINCNEY ST JULIAN (DECEASED)	C/O HERBERT T ALSTON	411 PARK BLVD	MOORESTOWN	NJ	08057-1751
9	042-00-09-041	PINCNEY JOSEPH HERS OF	C OF ANNIE RUTH TALBERT	49 MARYKNOLL ST	MATTAPAN	MA	02126-2841
10	042-00-03-125	JOHNSON MICHAEL E		221 LAND O PINES CIR	MONCK'S CORNER	SC	29461-5906
11	042-00-04-020	GIESICK PAMELA JEAN		202 Ramings DR	Ladson	SC	29456-4804
12	042-00-04-079	AUSTIN MACK O AND ANN W		PO BOX 454	CROSS	SC	29436-0454
13	051-00-00-037	TALL CORN FORESTRY LLC		3575 Piedmont Rd NE Bldg 15-1250	Atlanta	GA	30305-1631
14	052-00-00-026	SANTEE RIVER LLC	C/O BEIDLER FAMILY OFFICES	53 W Jackson Blvd Ste 530	Chicago	IL	60604-3421
15	052-00-00-039	SC PUBLIC SERVICE AUTHORITY	ATTN PROPERTY MANAGEMENT	PO BOX 2946101	MONCK'S CORNER	SC	29461-0001
16	080-00-02-081	KUNKLE TERRY L		1112 HIGHWAY 511	CROSS	SC	29436-3304
17	080-00-02-047	CROSS WILBUR W LIFE ESTATE		1198 HIGHWAY 311	CROSS	SC	29436-3304
18	081-00-00-034	TIMBERLANDS III LLC	C/O PLUM CREEK	100 Professional Center Dr	Brunswick	GA	31525-6743
19	081-00-00-037	SANTEE RIVER LLC	C/O BEIDLER FAMILY OFFICES	53 W Jackson Blvd Ste 530	Chicago	IL	60604-3421
20	117-00-00-050	TIMBERLANDS III LLC	C/O PLUM CREEK	100 Professional Center Dr	Brunswick	GA	31525-6743
21	137-00-00-022	TIMBERLANDS III LLC	C/O PLUM CREEK	100 Professional Center Dr	Brunswick	GA	31525-6743
22	157-00-00-003	SC PUBLIC SERVICE AUTHORITY	C/O ELIZABETH HENRY WARNER	1 Riverwood DR	Moncks Corner	SC	29461-2998
23	158-00-00-005	TIMBERLANDS III LLC	C/O PLUM CREEK	100 Professional Center Dr	Brunswick	GA	31525-6743
24	176-00-01-002	SC PUBLIC SERVICE AUTHORITY	C/O ELIZABETH HENRY WARNER	1 Riverwood DR	Moncks Corner	SC	29461-2998



1 in = 2.5 miles

0 2.5 Miles

-  Camp Hall Industrial Park
-  Alignment
-  Impacted Parcels

Camp Hall Rail Preferred Route

