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March 21, 2002



The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W., Room 711
Washington, D.C. 20423-0001

**RE: Finance Docket No. 34040, Riverview Trenton Railroad Company –
Acquisition and Operation in Wayne County, Michigan**

Dear Secretary Williams:

Enclosed for filing in the above-captioned docket are an original and ten (10) copies of the Reply of the County of Wayne, City of Trenton, and Grand Trunk Western Railroad Incorporated to Response of Riverview Trenton Railroad Company to February 15 Request to Supplement Record. Also enclosed is a diskette containing the text of this filing in Word Perfect 6/7/8/9 format.

Very truly yours,

Paul A. Cunningham

Paul A. Cunningham

Enclosures

ENTERED
Office of the Secretary

MAR 22 2002

Part of
Public Record

BEFORE THE
SURFACE TRANSPORTATION BOARD

STB Finance Docket No. 34040



RIVERVIEW TRENTON RAILROAD COMPANY –
ACQUISITION AND OPERATION IN WAYNE COUNTY, MICHIGAN

**REPLY OF THE COUNTY OF WAYNE, CITY OF TRENTON, AND
GRAND TRUNK WESTERN RAILROAD INCORPORATED
TO RESPONSE OF RIVERVIEW TRENTON RAILROAD COMPANY
TO FEBRUARY 15 REQUEST TO SUPPLEMENT RECORD**

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March 21, 2002

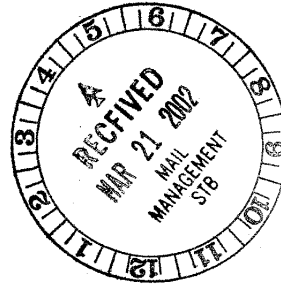
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TO FEBRUARY 15 REQUEST TO SUPPLEMENT RECORD**

The County of Wayne (“County”), the City of Trenton, and Grand Trunk Western Railroad (“GTW”) (together, “Opponents”) hereby reply to the response of Riverview Trenton Railroad Company (“RTR”) to the Board’s request in its February 15, 2002 decision in the above-captioned proceeding (“February 15 Decision”) for supplemental evidence and argument (“RTR Response”).

INTRODUCTION

The Board’s February 15 Decision asked RTR to submit evidence of public benefits from the intended beneficiaries. We pointed out in our March 7, 2002 filing that RTR’s petition for exemption must be supported by evidence that there will be public benefits attributable to RTR becoming a rail carrier. Benefits related to the establishment of an intermodal facility, which could be established and operated by a non-carrier, are not relevant. RTR’s March 7, 2002 filing, however, does not present evidence that there will be benefits due to RTR becoming a rail

carrier. Accordingly, there is no basis on the record for satisfying RTR's desire to escape local regulation by becoming an STB-regulated carrier.

Most of the evidence submitted by RTR is RTR's own testimony, or that of its affiliates or hired consultants. RTR also presents statements from supposed potential beneficiaries. None of these letters provides useful information or an explanation concerning possible benefits that would be created by RTR becoming a rail carrier. Most say little more than that additional available intermodal capacity would be welcome. In addition, two letters have already been effectively withdrawn, including the letter of Ford Motor Company.

The letters fall far short of demonstrating that potential public benefits from granting RTR rail common carrier status could possibly outweigh the public interest in permitting local authorities to regulate land use in connection with the creation of an intermodal terminal by a non-carrier. In fact, if RTR's supplement demonstrates anything of substance, it is that the Board lacks jurisdiction over RTR's proposal, and that the public interest strongly favors denying RTR's petition for exemption.

Our reply is in three parts. Part I explains how RTR's supplemental evidence reinforces Opponents' argument that the Board lacks jurisdiction over RTR's proposed intermodal operations. Part II examines RTR's supposed evidence of public benefits. It shows that RTR has failed to demonstrate that any benefits would flow from conferring rail common carrier status on

RTR. Finally, Part III assesses the weight of evidence concerning the public interest, and shows that RTR's petition for exemption should be dismissed (or denied).¹

I. RTR'S EVIDENCE UNDERSCORES THE BOARD'S LACK OF JURISDICTION OVER RTR AND ITS PLANNED OPERATIONS

A. RTR's Evidence Demonstrates That It Cannot Offer Common Carrier Services to All Shippers; The Only Services RTR May Independently Provide Are Non-Limited (Non-Common Carrier) Rail Services Incidental to its Planned Intermodal Terminal.

In its effort to claim that it would become a rail common carrier, RTR has repeatedly asserted that it intends to offer rail common carrier services to all shippers. In response, Opponents have pointed out that whatever rail activity RTR might engage in will necessarily only be incidental to its own proposed intermodal terminal, and not common carrier service. RTR could not provide rail services outside of its own proposed intermodal terminal, because it goes nowhere else and serves nothing but its own lift facilities. Under these circumstances, RTR is no different than other entities that use rail service for their own business, but are not rail common carriers.²

¹Mr. Mistura, RTR's President, notes that RTR "does not contemplate that it will compete with the Class I railroads for intermodal traffic that they already handle." RTR Response, Verified Statement of Arnold M. Mistura at 5 ("Mistura V.S."). This statement belies RTR's repeated attacks on GTW's opposition to RTR as motivated by a fear of added competition. GTW has other substantial grounds for its opposition to RTR's exemption request – its serious concerns that RTR's proposed operations will cause interference with GTW's own yard and train operations, and also its conviction that rail common carrier status should not be conferred on RTR because it will not be a bona fide rail common carrier.

²E.g., *Mickler v. Nimishillen & T. Ry.*, 13 F.3d 184 (6th Cir. 1993), *cert. denied*, 511 U.S. 1084 (1994); *Kieronski v. Wyandotte Term. R.R.*, 806 F.2d 107 (6th Cir. 1987); *Sullivan v. Scoular Grain Co. of Utah*, 930 F.2d 798 (10th Cir. 1991); *Bar Techs., Inc. v. Conemaugh &*

RTR's March 7 evidence confirms Opponents' arguments. RTR concedes that its rail services (such as they are) will not be available to all shippers; it will only provide service incidental to its intermodal terminal. As stated by RTR's President Mr. Mistura, RTR will provide rail services only for shippers of "intermodal freight" and only for those "that choose to use its facility." Mistura V.S. at 10. That RTR's use of rail tracks is incidental to its planned intermodal business, and not the reverse, is clear. No one has suggested that shippers would seek out RTR for its "rail services" independent of its intermodal terminal.³ Indeed, none of the evidence suggests that any shipper will seek out RTR's supposed "rail service" at all, or that shippers will have any meaningful control over RTR's use of rail within its facility. If RTR uses its tracks to move a shipper's freight within its terminal, it will do so because RTR has decided to do so as part of its terminal operation. This is a classic case of rail service that is merely incidental to an entity's own business – the business in this case being operation of an intermodal terminal.

RTR's status as an intermodal terminal operator that would not be a rail common carrier is further confirmed by reference to the specific rail-related services it says it may perform. RTR

B.L. R.R., 73 F. Supp. 2d 512 (W.D. Pa. 1999); *Ciaccio v. New Orleans Pub. Belt R.R.*, 285 F. Supp. 373 (E.D. La. 1968); *Monessen S.W. Ry. v. Pennsylvania Pub. Util. Comm'n*, 493 A.2d 666 (Pa. 1985); *Hanson Natural Res. Co. – Non-Common Carrier Status – Petition for a Declaratory Order*, Finance Docket No. 32248 (ICC served Dec. 5, 1994).

³RTR attaches a letter from Detroit Steel Company ("DSC") that might seem to suggest that it and its affiliate, Detroit Cold Rolling Company, may wish to use RTR for rail service. That letter was not submitted by DSC in this docket and has been largely superseded by the later letter of Detroit Cold Rolling Company, which makes clear that it opposes RTR's petition for exemption, and which was signed by Michael Wilkerson, who is Chairman of both companies. See Opponents' March 7 Supplemental Evidence, Exhibit J.

states that it will primarily handle auto parts for the automotive industry. RTR's witnesses make clear that such parts would be received by rail at the intermodal terminal, and distributed by truck to the automotive plants, most of which are configured to receive parts solely by truck. *See, e.g.*, RTR Response, Verified Statement of Richard P. Urban, at 5 ("Urban V.S"). For purposes of these movements (which, according to RTR's plans, appear likely to be most if not all of its intermodal business), RTR would receive trailers and containers ("boxes") at its facility and lift them off of rail cars for pick up by trucks. Similarly, if boxes are received by truck for outbound movement by train, RTR would lift boxes off of the truck and place them on rail cars to be transported by a Class I carrier. All of these services are basic operations performed at virtually all intermodal terminals; none requires that RTR be a rail common carrier.

Although it is far from clear that RTR will ever do much more rail-related work than this, it tries to throw the "kitchen sink" at the issue, arguing that it may perform a variety of other rail-related activities that it hopes will show it must be a rail common carrier. These fall into four broad categories.

First, RTR tries to equate its rail car movements within its own facility to line-haul movements. *Mistura V.S.* at 4-5. It goes so far as to suggest that it might wish to quote joint-line rates with the Class I carriers for such movements. *Id.* at 5. These suggestions are unfounded. As noted above, any such movements are merely incidental to RTR's provision of intermodal terminal services. There is no independent market or demand for such movements. Further, it would serve no commercial purpose to treat RTR's movements within its own facility as line-haul movements, even if they are incidental to the inbound or outbound movement of rail cars to

or from its intermodal terminal. RTR has not identified any operational difference or benefit that would arise from treating its inter-terminal rail car movements as rail common carrier movements. Treating RTR as both a terminal operator and a rail common carrier for its terminal service would only introduce added inefficiency, including the possibility of an additional separate freight transportation charge.

Second, RTR argues that it may set out and pick up rail cars at its terminal facility, or move cars to and from the Class I carriers serving the facility, as a form of switching service. *See* RTR Response, Verified Statement of Richard J. Schiefelbein, at 7 (“Schiefelbein V.S.”). Labeling these movements “switching,” however, would not change their essential character or the fact that such rail movements do not amount to common carrier service. These movements would still be merely incidental to RTR’s intermodal terminal services, and there would still be no separate market or demand for such service apart from RTR’s intermodal terminal service. Indeed, unless other carriers agree to pick up and leave cars inside RTR’s terminal facility, which is a common arrangement, RTR would have no choice but to move rail cars to and from the agreed-upon point of pick up and drop off as part of its intermodal terminal services, or to find a contractor to do so for it. As shown by the Port of Houston example, discussed below, such a contractor would also not be a rail common carrier.

Third, RTR sites a laundry list of activities it *might* perform in conjunction with the Class I carriers. It suggests, for example, that RTR might classify cars and build trains for the Class I carriers, perhaps even using a Class I carrier’s train-loading software programs. *Urban V.S.* at 4-8; *Schiefelbein V.S.* at 6-7. RTR claims it might also perform tasks for the Class I carriers such

as moving equipment between them as required, or performing car repair, or mechanical and brake tests. RTR Response, Verified Statement of David Wilson, at 3 (“Wilson V.S.”). But none of these are common carrier services that RTR can perform directly for shippers; they are activities that RTR can only perform in conjunction with and on behalf of the Class I carriers. GTW, however, has no need or desire to use RTR to perform any such services. And there is no indication in the record of any other carrier stating that it has such a need or desire. RTR cannot unilaterally decide to perform services on behalf of the Class I carriers, and it cannot unilaterally establish Board jurisdiction over its future operations on this basis. If there is some efficiency to be gained by contracting with RTR to perform services on their behalf, the Class I carriers may someday wish to pursue arrangements with RTR. If that day should come, there will be ample opportunity to determine based on actual demands for new RTR services whether performing those services would raise issues concerning RTR’s rail common carrier status.⁴

Fourth, RTR discusses a variety of value-added services it would like to perform for shippers at its intermodal terminal, such as document handling and logistics assistance. Wilson V.S. at 3. There is no need for RTR to be a rail common carrier to perform such value added services, which are commonly performed by non-carrier third parties such as logistics companies.

RTR’s witness Mr. Schiefelbein analogizes RTR’s proposed services to those at the Port of Houston. That analogy further underscores just why RTR would *not* be a rail common carrier

⁴Even if RTR were asked to perform extensive contract services akin to those provided to the Port of Houston by its contract switching carrier, performing those services would not qualify RTR as a rail common carrier. See discussion of the Port of Houston’s contract switching carrier, below.

within the Board's jurisdiction. According to Mr. Schiefelbein, the Port of Houston wished to operate an independent intermodal facility with access to multiple rail carriers, not unlike RTR's professed intentions here. Schiefelbein V.S. at 3, 7. Mr. Schiefelbein states that the Port initially agreed to allow the serving railroad to operate directly within its facility (*id.* at 3), just as the Class I railroads could do for RTR's planned facility, and just as the former McLouth Steel works was historically served. He explains that the Port later took over the operation of the intermodal facility, built an additional track to bring a direct rail competitor to the facility, and hired a contract operator "to perform the operational functions" at the terminal, including "loading and unloading services," building trains, and generally acting "as if it were an intermodal terminal on each of the railroads." *Id.* at 4.

RTR has indicated it would like to perform the same types of services as those provided to the Port of Houston by its contract operator. Mr. Schiefelbein does not identify that contract operator, but Opponents understand it probably is "In-Terminal Services Corporation" ("ITSC"). More importantly, contrary to RTR's assertion that it must be a rail common carrier to perform the kinds of services offered by ITSC, Opponents understand that neither the Port nor its contract operator is a rail common carrier. As discussed above, this makes sense. ITSC does not perform rail common carrier services for each of the individual shippers who utilize the port. It performs its services for the benefit of the terminal itself, and also for the benefit of its serving carriers, to the extent permitted by agreement with those carriers. Like ITSC, RTR would not be a rail

common carrier by reason of its performing railcar positioning and lift services incidental to the operation of its intermodal terminal.⁵

- B. The Board Should Not Make An Unprecedented Expansion Of Its Jurisdiction To Include A Non-Carrier's Establishment Or Operation Of An Intermodal Terminal For Its Own Purposes.

Opponents have noted on several occasions that RTR has failed to cite a single precedent in which the Board's authority has been sought to operate an intermodal facility as a separate Board-regulated rail common carrier, save RTR's parent's own rejected notice of exemption on behalf of Jefferson Terminal Railroad Company. Reply Comments of the County of Wayne and Grand Trunk Western Railroad, Incorporated to New Issues Raised by Riverview Trenton Railroad, February 8, 2002, at 6 ("Reply to New Issues"); Supplemental Evidence and Argument of the County of Wayne, City of Trenton, and Grand Trunk Western Railroad, Incorporated in Response to February 15 Decision, March 7, 2002, at 8 ("Opponents' Supplemental Evidence and Argument"). Opponents have also shown that the few cases cited by RTR as supporting its claim of jurisdiction are plainly distinguishable, and that the Board's precedents and those of the courts instead support dismissal of RTR's petition for exemption.⁶ As discussed above, ITSC

⁵Mr. Shiefelbein also discusses the neutral switching operations of the Port Terminal Railroad Association of Houston ("PTRA") for the several industries PTRA directly serves along the Ship Channel. He suggests that RTR could offer similar benefits. Of course, RTR can remain equally neutral as between carriers without being a rail common carrier. See Part II.B., below. As to common carrier issues, PTRA's direct rail service to numerous carload shippers outside of the Port of Houston's intermodal terminal obviously distinguishes it from RTR which can only operate within and serve its own terminal operations.

⁶E.g. Reply Comments of County of Wayne and Grand Trunk Western Railroad Incorporated to New Issues Raised by Riverview Trenton Railroad Company at 10-11, STB

provides yet another example of a terminal operator analogous to RTR that does not operate as an independent rail common carrier subject to the Board's jurisdiction.

Unable to cite any precedents for its claim of Board jurisdiction, RTR takes a different tack in its March 7 filing. It argues through its witnesses that RTR's proposal is, in fact, unique and different, or at least highly unusual.⁷ These arguments may be intended to suggest that the Board should ignore the lack of precedent supporting RTR's arguments, and extend the Board's jurisdiction to include RTR's effort, as a non-carrier, to establish or operate a rail intermodal terminal.

The Board should decline RTR's invitation. It is appropriate for the Board's jurisdiction and preemptive powers to reach the construction and operation of intermodal facilities by rail existing common carriers. Carrier-owned intermodal terminals are part of the integrated network and services provided by rail common carriers, which extend well beyond the limits of the intermodal facility itself.⁸ RTR's actions in this proceeding, by contrast, illustrate the danger of

Finance Docket Nos. 33980 and 34040 (Feb. 8, 2002); Petition [of County of Wayne] to Revoke, STB Finance Docket No. 33980 at 9-13 (Feb. 16, 2001).

⁷See Schiefelbein V.S. at 9 ("unique transportation offering"); Mistura V.S., Exhibit 1, letter of Michigan Trucking Assoc. at 1 ("[S]hortline interface of the RTRC and its connection to the major national railroad is unique as a transportation service offering in the region."); Wilson V.S. at 4 ("RTRR concept builds on these [freight consolidation] types of arrangements . . .").

⁸This is also the case with loading/unloading facilities that, like the Pittsburgh & Conneaut Dock Company, but unlike RTR, offer rail services "by virtue of common ownership between [themselves] and a railroad or by contractual relationship with a railroad." *Ass'n of P&C Dock Longshoremen v. Pittsburgh & C. Dock Co.*, 8 I.C.C.2d 280, 290 (1992) (quoting *Lone Star Steel Co. v. McGee*, 380 F.2d 640, 647 (5th Cir.), *cert. denied*, 389 U.S. 977 (1967)).

extending Board jurisdiction to include the construction or operation of an intermodal facility by a non-carrier such as RTR.

The course followed by RTR in this proceeding is now all too clear. Concerned about the possibility of local land use regulation, RTR seized on the idea of claiming to be a rail common carrier subject to the Board's jurisdiction as a means of preempting that regulation. There is a lack of evidence in the record (1) of any legitimate transportation need for RTR to seek Board authority or an exemption, and (2) showing that RTR had any intention to seek Board authority prior to the threat of condemnation. RTR instead fashioned post hoc arguments relating to various rail services it claims it now wishes to provide in an effort to convince the Board that it must assume jurisdiction over RTR's proposed operations, even if those operations would be contained entirely within RTR's terminal facility and even though any rail operations would be wholly incidental to RTR's intermodal terminal services.

If the Board were to preempt local land use regulation whenever RTR or a similar non-carrier developer expresses a wish or desire to begin operations as a rail common carrier, that precedent would invite all non-carriers wishing to preempt local land use regulation similarly to claim an intent to operate as a rail common carrier. As Opponents have pointed out, the flawed logic of RTR's proposal does not require the existence of rail tracks on the property at issue (or elsewhere) or any other indicia that an entity is willing and able to provide meaningful jurisdictional rail service. Opponents' Supplemental Evidence and Argument at 9 n. 8. All that would be required are representations about future intent, such as RTR has offered in this proceeding. Thus, if RTR's claims are accepted by the Board as establishing jurisdiction, then

the Board's authority and jurisdiction would be turned into a convenient, virtually boundless tool for developers to use to avoid local land use regulation. That would be contrary to the public interest, an inappropriate use of the Board's jurisdiction and preemptive power, contrary to the rights and interests of local authorities, and contrary to the intent of the ICC Termination Act. The Board can and should avoid this dangerous precedent by denying RTR's petition for exemption.

II. RTR HAS NOT SUBMITTED EVIDENCE, MUCH LESS EVIDENCE FROM POTENTIAL BENEFICIARIES, SHOWING THAT PUBLIC BENEFITS WILL BE REALIZED DUE TO RTR OPERATING AS A RAIL COMMON CARRIER.

A. RTR Has Not Provided Independent Evidence From Potential Beneficiaries Of Public Benefits From Conferring "Rail Common Carrier" Status On RTR.

The Board's February 15 Decision (at 10) asked RTR to provide supplemental evidence concerning the benefits of its proposed services from "those who would benefit." Such evidence, therefore, should have been the centerpiece of RTR's filing. Further, in order to be meaningful this information should concern the benefits (if any) that would be realized by conferring rail common carrier status on RTR as it has requested, rather than just the general benefits of an added intermodal terminal, which could be established and operated by RTR even if it is not a rail common carrier.

Upon review, however, the letters from supposed potential beneficiaries submitted by RTR turn out to be little more than two form letters, none of which even touches on the central issue of whether there are benefits tied to RTR becoming a rail common carrier. The letters instead stand for the unremarkable proposition that added intermodal capacity in the greater

Detroit area would in theory be desirable. The letters add nothing of substance to the record for the Board's consideration of RTR's petition.

Although the letters are largely inapt, even in the short time Opponents have had to work with the letters on a non-confidential basis it has become apparent that there is less to them than meets the eye. Most of the letters are form letters that were drafted by RTR and simply presented to companies for signature. The form letters generally fail to provide any description of the business interests of the signatories, providing no basis to judge whether the signatory is truly a potential beneficiary or not.

In addition, few, if any, of the letters state that the signatory is authorized to represent the views of their company, and it is clear that some were not. Ford Motor Company, the only Detroit automaker claimed by RTR as a supporter, has filed a letter stating that Mr. McCoy, a Traffic Supervisor, was not authorized to take a position on behalf of Ford (copy attached as Exhibit A). Ford does not support RTR's petition. Similarly, Lear Corporation has filed a letter from its Associate General Counsel, Christopher T. Koch, stating that the signatory to the Lear letter submitted by RTR, Mr. Kozlowski, is a Traffic and Purchasing Coordinator at one of Lear's plants, and that his letter "does not reflect the considered views of Lear Corporation," and that "Mr. Kozlowski does not have the authority to speak either for Lear corporation as a whole, nor, for that matter, Lear's Detroit facility" (copy attached as Exhibit B).⁹ Lear Corporation does

⁹As noted in Mr. Koch's letter (at page 1), Lear was not told that its letter would be submitted to the Board as evidence in support of RTR's petition for exemption. Had the solicited individuals been told of RTR's intentions, they presumably would have given greater consideration to the content of the letter presented by RTR, solicited additional information concerning the project, and ensured that the letter received the proper review within their

not support RTR's petition. RTR itself, through its affiliate Mason and Dixon Lines, presents what are actually personal statements as if they represent a corporate position. Two letters were filed under its affiliate's Mason and Dixon Lines letterhead, in both cases by "contractor" truck drivers, who are not even employees of Mason and Dixon Lines, much less qualified to speak for that company.¹⁰

In addition to these issues, RTR also mischaracterized the content of its support letters in the body of its supplement and in Mr. Mistura's statement. RTR claims that the letters support the following propositions (emphasis added):

1. these shippers "would utilize the RTRR facility for their intermodal truck/rail freight." (RTR Response at 2)
2. these supporters say they "would benefit from its service." (*id.* at 3)
3. RTRR's logistics and commercial arrangements "will benefit shippers." (*id.* at 3-4)
4. these shippers "believe that RTRR will be able to offer them attractive intermodal transportation arrangements alternative to all-highway routings." (*id.* at 4)
5. trucking and drayage firms "believe that RTRR will enhance their opportunities and reduce their costs." (*id.* at 4)

company. *Cf.* 18 U.S.C. § 1001 (crime to submit false statements to government agency). Instead, signatories apparently believed they were providing no more than a non-controversial private expression of support to RTR for the commercial prospect of utilizing a potential new intermodal terminal. Such letters can add no weight to RTR's arguments.

¹⁰ In addition to the Mason and Dixon letters, a third letter was submitted by an RTR affiliate, Logistics Insights Corp. A fourth was submitted by RTR affiliate Central Global Express, which RTR failed to identify as its affiliate, but it is clear from Central Global's website that it is. RTR's support letters may include other unidentified affiliates; time limitations and insufficient information have precluded Opponents from systematically checking.

6. these supporters “would utilize the rail/truck interchange services that RTRR will provide” (Mistura V.S. at 2)
7. these statements indicate that RTR’s yard “will promote the efficient transportation of intermodal freight,” attracting freight from all highway routings, and “that there will be fewer long-haul trucks on the highways” under RTRR’s plan. (*id.* at 11)

Upon inspection, however, it emerges that nearly all of the alleged categorical “woulds” and “wills” are in fact absent from the letters or (at best) are highly speculative “mights” and “mays.”

For example, Form Letter A (the most prevalent) says little more than the generalization that shippers “could use an additional option for container interchange service in this/our region.”¹¹ Form Letter B merely “anticipate[s]” using the RTR facility and offers that “we may be able” to shift “some” unquantified volume of freight from all-highway to rail routings.¹² A couple of letters note the expectation that to the extent that the RTR facility offers an efficient option it will generate more business.¹³ Rarely do the “supporters” assert that they definitely “would utilize” the facility, that they or other shippers definitely “will benefit” from it, or that there “will be fewer long-haul trucks on the highways.”

In sum, the statements submitted by RTR as supposedly coming from potential beneficiaries provide no support for the central proposition that RTR must be a rail carrier for the projected benefits to be achieved. Further, it is evident why RTR tried to limit access to the new

¹¹*See, e.g.*, Letters of ABC Group Inc., Cargotec, Inc., SoFo Foods.

¹²*See, e.g.*, Letters of HSAC Logistics, P&O Nedlloyd.

¹³Fourteenth Avenue Cartage Co., Inc. at __; Rye Gentry Trucking, Inc. at __.

statements it filed, they do not offer the support that RTR attributes to them and they betray the overstated nature of RTR's claims to the Board.

B. THE STATEMENTS BY RTR AND ITS HIRED CONSULTANTS DO NOT SHOW THAT BENEFITS WILL BE REALIZED THROUGH RTR OPERATING AS A RAIL COMMON CARRIER.

The other statements submitted by RTR are not from potential beneficiaries as requested by the Board, but from RTR's President and various hired consultants. These statements focus primarily on the general benefits of added intermodal capacity and other matters tangential to the question of whether there are public benefits to conferring rail common carrier status on RTR.¹⁴ In some instances, however, these statements attempt to attribute various benefits to RTR's status as a rail common carrier.

As we showed above in Part I.A., however, the tasks that RTR and its consultants wish to perform and are capable of independently performing do not require that RTR be a rail common carrier. These include loading and unloading boxes onto and from rail cars and positioning intermodal equipment within its terminal facility, as well as receiving and delivering rail cars to and from the Class I carriers. As we also noted in Part I.A., a number of the other tasks that RTR has indicated it may wish to perform are not rail common carrier services it can independently perform for shippers, but are, rather, tasks that RTR might wish to perform in conjunction with and for the benefit of Class I carriers. These include classifying rail cars and building trains for the Class I carriers, moving equipment as required between Class I carriers, and performing

¹⁴These aspects of Mr. Mistura's and RTR's consultants' statements are addressed elsewhere in this reply, as necessary.

mechanical and brake tests for them. Finally, we noted in Part I.A. that other value-added activities cited by RTR, such as handling paperwork and providing logistics services do not require that RTR be a rail common carrier. It is self-evident from this analysis that the benefits of these various tasks, which RTR claims can be realized only if it is a rail common carrier, do not, in fact, require that status.

We next address several more indirect and vague potential benefits that RTR claims or implies could be realized only if RTR is a rail common carrier. The first is the claim of Mr. Urban (at 4) that establishment of a “shortline organization” would allow RTR to “control and manage the whole local process,” including, apparently, “control and management of switching, classification and make-up of outbound trains.” This is really just another species of the benefits noted above that would actually involve RTR’s performance of services in conjunction with and on behalf of the Class I carriers, rather than for shippers. In this case, Mr. Urban has outlined a scenario in which a Class I carrier might choose to have RTR perform a variety of services that it might otherwise perform itself within the intermodal terminal or at its own yard. But none of the Class I carriers has indicated it wants such services from RTR, and RTR has no unilateral right or ability to perform these services on behalf of the Class I carriers.

A second potential benefit, that of providing RTR with access to all three Class I railroads in the vicinity of the RTR site, is discussed by Mr. Zamajahn and Mr. Wilson as if it would be attributable to RTR’s future rail common carrier status. RTR Response, Verified Statement of James E. Zamjahn at 4-5 (“Zamjahn V.S.”); Wilson V.S. at 2-3. This suggestion is never explained, however, and it is contrary to RTR’s repeated claims that its chosen site is “ideal”

precisely because "RTRR's line connects with the lines of the Conrail Shared Assets Operator (and thus with CSX and NS), as well as with Grand Trunk Western" (Mistura V.S. at 5).

Further, McLouth Steel, RTR's predecessor at this site, received direct rail service from multiple Class I carriers, despite the fact that it is not a rail common carrier. RTR and its consultants cite nothing to suggest that access to the RTR site in any way depends upon RTR's status as a rail common carrier.

A final and related assumption apparently shared by Messrs. Mistura, Urban, and Schiefelbein is that rail common carrier status will somehow establish RTR as a "neutral" or "wholesaler" to the Class I railroads. Mistura V.S. at 4-5; Urban V.S. at 6; Schiefelbein V.S. at 7-8. But there is no reason to believe that RTR, as a terminal operation that is not a rail common carrier, would not be just as "neutral" toward each of the Class I carriers. RTR certainly suggests no reason.

Thus, like RTR's statements from potential beneficiaries, its statement of Mr. Mistura and of RTR's consultants fail to demonstrate that there are any significant benefits that would be realized by conferring common carrier status on RTR.

III. EVEN IF THE BOARD HAD JURISDICTION OVER RTR, AND EVEN IF THERE WERE SOME PUBLIC INTEREST IN MAKING RTR A RAIL CARRIER, THE BALANCE OF PUBLIC INTEREST WOULD STILL DISFAVOR OVERRIDING LOCAL INTERESTS.

Opponents believe that RTR's petition for exemption should be dismissed for lack of jurisdiction. Further, Opponents believe that there are no substantial public benefits whatsoever that would be created by reason of granting RTR's petition. As discussed in this section, even if

the Board were to reject both of those arguments, the public interest would still overwhelmingly favor and support dismissal of RTR's petition for exemption.

C. RTR's Proposal Is Inconsistent With The Broader Intermodal Objectives Of The Region

In order to meet the intermodal terminal capacity needs for businesses in the Greater Detroit Area ("GDA"), the Michigan Department of Transportation ("MDOT") has been working to develop a new Detroit Intermodal Freight Terminal ("DIFT"), which would be "a regional facility with sufficient capacity to provide for existing and future intermodal demand."¹⁵ MDOT's concept for the DIFT is "a complex of intermodal terminals, each owned or operated by individual railroads," built around a nucleus of existing facilities and locations in Southwest Detroit.¹⁶

As discussed in Representative John D. Dingell's letter attached as Exhibit E, hereto, RTRR's proposal to build an independent facility several miles south of those facilities is inconsistent with that concept. "An STB decision to grant RTR's petition would turn years of federal, state and local land use planning on its head, and is not in the interest of Southeast

¹⁵ Corradino Group of Michigan, Inc., Detroit Intermodal Freight Terminal Project: Consultant Recommendation at 1 (Technical Report No. 4) (prepared for MDOT, Dec. 2001) ("Technical Report No. 4"). Technical Report No. 4 (chapter 1 of which is attached hereto as Exhibit C), is the latest of series of reports to MDOT by its consultants. Technical Report No. 2, in the same series, was cited by RTR's President Mr. Mistura in his verified statement, and excerpts attached as an exhibit to that statement. Mistura V.S. at 8; *id.*, Exhibit 4.

¹⁶ "Detroit Intermodal Freight Terminal" at 1, *available at* <http://www.mdot.state.mi.us/projects/dift/doc.htm> (link identified as "MDOT History and Background Paper") (attached hereto as Exhibit D); Technical Report No. 4 at 1.

Michigan.” Letter from John D. Dingell to Chairman Morgan and Vice Chairman Burkes, at 2 (dated March 21, 2002).

RTR’s proposal exemplifies the *ad hoc* approach that MDOT specifically rejected as a solution to the GDA’s capacity needs.¹⁷ That approach, under which individual entities would “add[] additional terminal capacity, and perhaps additional terminals, when needed and without any coordination with other carriers and shippers,” would, according to MDOT, bring about “an even more inefficient, widely dispersed set of terminals – each of which would place demands on the highway system for access.” MDOT History and Background Paper at 1.¹⁸

MDOT’s concerns are echoed in the 1994 report of Mercer Management Consulting cited in Mr. Mistura’s verified statement (Mistura V.S. at 7). It concluded that building additional terminals in the GDA would have the harmful effect of “add[ing] to fragmentation and inefficiency.” *Id.*, Exhibit 3 at II-6.

¹⁷Notably, MDOT has withheld its support for RTR’s project. *See* letter from Larry B. Karnes (Intermodal Policy Division, MDOT) to Jaya Zyman-Ponebshek at 1 (Jul. 23, 2001), reprinted in II Environmental Assessment, Appendix F.

¹⁸In contrast, concentrating development of new intermodal capacity at the DIFT would have the beneficial effect of permitting MDOT “to focus highway investments at a single World-Class freight transportation hub around which further industrial development can occur.” Technical Report No. 4 at 4. Similarly, as Mercer Management Consulting observed in a 1993 report to MDOT (relevant pages attached hereto as Exhibit F), development of “[a] central shared facility [such as the DIFT] could reduce the amount of truck traffic on GDA and Michigan highways, reducing highway maintenance expenses, extending bridge life, and reducing vehicle miles traveled.” Mercer Management Consulting, Greater Detroit Area Intermodal Study: Final Report at IV-12 (Dec. 1993). A proliferation of independent facilities, such as the one proposed by RTR, would undercut those benefits by causing an increase in cross-town drayage.

Far from being consistent with the planned DIFT by productively addressing intermodal terminal capacity problems, RTRR's proposed facility would aggravate them.¹⁹

B. The Public Interest Strongly Favors Subjecting RTR's Proposal To Local Land Use Regulation.

The record in this proceeding demonstrates that there is a very strong public interest in permitting the County and the Cities of Riverview and Trenton to exercise their land use and regulatory authority over RTR's proposed intermodal terminal operations. Major environmental issues relating to RTR's proposal remain open or unresolved. In addition, the RTR property itself is central to the broad and longstanding plans of the surrounding communities to rehabilitate the shores of the Detroit River and change the character of the Downriver Community as a whole. These and other competing interests can and will be protected only if the Board declines RTR's petition for exemption.

The importance of these issues to the local communities, the region, and the state of Michigan is reflected in the tremendous outpouring of letters, petitions, and resolutions opposing RTR's plans. In addition to the opposition of the County, and the cities of Riverview and Trenton, resolutions of opposition have been filed by numerous surrounding cities, including Gibraltar, Woodhaven, Grosse Ile, as well as by the Down River Community Conference, a

¹⁹RTR selectively sites a portion of Southeast Michigan Council of Governments ("SEMCOG") submissions to the Section of Environmental Analysis as if it can definitively speak to the DIFT or otherwise supports RTR's project. The DIFT, however, is not a project run by SEMCOG, and SEMCOG's ultimate conclusion, in any event, was to support the concerns of the City of Trenton and ask the Board to delay action on RTR's proposal, as well as impose additional environmental mitigation conditions. Letter from P.E. Tait, Executive Director, SEMCOG, to K. Blodgett, SEA, dated Nov. 26, 2001.

consortium of 18 communities, and by the Michigan House of Representatives. Letters in support of the local communities' opposition have been filed by Senator Levin, Representatives John D. Dingell, and Lynn N. Rivers, and Governor Engler, as well as by numerous other members of Michigan's state government. And, at the direct grass roots level, by Opponents' count, individual expressions of opposition to RTR have now easily topped 1,500, including an abundance of individually drafted (*i.e.*, non-form) letters.²⁰

By contrast, support for RTR's proposal has been paltry. In fact, as Opponents showed at Part II.A., above, the letters submitted by RTR from supposed potential beneficiaries are of little value since they fail to address the relevant issue of whether granting RTR status as a rail common carrier would result in any substantial public benefits.

Opponents recognize that this is not a popularity contest or plebiscite. But they urge the Board to consider, along with their voluminous evidence, the very strong expressions of opposition to RTR's proposal from a tremendously broad span of people – politically,

²⁰RTR's effort to dismiss this opposition as mere expressions of a "not in my back yard" mentality (Mistura V.S. at 13), ignore the object of Opponents, which is not to bar all industrial development, but to have a say through land use regulation. It also ignores the broad geographic reach of the opposition, which would stretch any reasonable definition of "backyard" beyond the breaking point. The fact that the vast majority of these letters are factually accurate and speak to the cogent issues before the Board also belies RTR's contention (*id.*) that the letters were generated based on misinformation. If anyone is guilty of spreading misinformation, it is RTR itself, which evidently misrepresented its project to city officials, misrepresented its project and filings before the STB, and most recently misrepresented its project to the public, as illustrated by the misleading full-page advertisement by RTR in local newspapers, a copy of which was previously submitted to the Board. *See* January 30, 2002 Letter from Counsel of County of Wayne, at 2.

economically, and geographically – and to accept that opposition as a fair reflection of the important public interests that would be harmed if RTR’s petition for exemption were granted.

Given the lack of any federal interest in the construction of the proposed intermodal terminal by and for an entity that is not a rail common carrier, the balance of public interests in this proceeding strongly favors dismissal of RTR’s petition.

CONCLUSION

The Board has now taken substantial additional evidence on the question of how the public interest will be affected by its decision to grant or deny RTR’s petition for exemption. That evidence demonstrates two things.

First, the evidence shows that despite RTR’s efforts to bring itself within the Board’s jurisdiction through claims concerning its future intent, the Board does not, in fact, have jurisdiction over RTR’s proposed operation of an intermodal terminal.

Second, the evidence demonstrates that there are few (if any) public benefits to be gained by granting RTR’s petition, but there would be a tremendous public benefit if it were denied. If the Board had been presented with RTR’s proposed project through an application under 49 U.S.C. § 10901, Opponents respectfully suggest that if it did not dismiss the application for lack of jurisdiction, it would have found the proposal to be inconsistent with the public convenience and necessity (“PC&N”).

The issue, however, has been presented here in the form of a petition for exemption under 49 U.S.C. § 10502 from the requirements of Section 10901. As the Board correctly indicated in its February 15 Decision (at 10 n.16), the outcome of this proceeding should not turn on whether

RTR has proceeded by application or petition for exemption. The Board's review of RTR's proposal under Section 10502, which requires an assessment of RTR's proposal against the Rail Transportation Policy (49 U.S.C. § 10101), leads inexorably to the same conclusion as under the PC&N standard – RTR's proposal is contrary to the public interest. RTR has tried to invoke unnecessary and counterproductive Board regulation, which is inconsistent with Subsections (1) and (2) of Section 10101. The proposed RTR project is also contrary to the "development and continuation of a sound rail transportation system" (Subsection 4), the policy "to foster sound economic conditions in transportation and to ensure effective competition and coordination between rail carriers and other modes" (Subsection 5), the policy "to operate transportation facilities and equipment without detriment to the public health and safety (Subsection 8), and the policy "to encourage honest and efficient management of railroads" (subsection 9).

For all of the reasons discussed above and in its prior pleadings, Wayne County, the City of Trenton, and GTW respectfully request that the Board dismiss or deny RTR's petition for exemption in this proceeding.

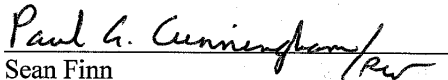
Respectfully submitted,

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801 Pennsylvania Avenue, Suite 600
Washington, D.C. 20004-2664
(202) 973-7600

Counsel for Grand Trunk Western
Railroad Incorporated

March 21, 2002

CERTIFICATE OF SERVICE

I certify that I have this 21st day of March, 2002, served copies of the foregoing Reply of the County of Wayne, City of Trenton, and Grand Trunk Western Railroad to Response of Riverview Trenton Railroad Company to February 15 Request to Supplement Record on all parties to these proceedings, by causing a copy to be delivered to each of the following by first-class mail or by a more expeditious manner of delivery:

J. William Koegel, Jr.
David H. Coburn
STEPTOE & JOHNSON LLP
1330 Connecticut Avenue, N.W.
Washington, DC 20036

Richard S. Edelman
O'DONNELL, SCHWARTZ & ANDERSON, P.C.
1900 L Street, N.W., Suite 707
Washington, DC 20036

The Honorable Carl M. Levin
United States Senate
Washington, DC 20510

The Honorable John D. Dingell
House of Representatives
Washington, DC 20515

Daniel C. Sullivan
SULLIVAN & HINCKS
2 West 22nd Street, Suite 350
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Randall A. Pentiuik
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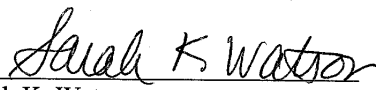

Sarah K. Watson

EXHIBIT A

Ford Motor Company

March 21, 2002

The Honorable Vernon A. Williams, Secretary
Case Control Unit
Surface Transportation Board
1925 K Street NW, Room 713
Washington, DC 20423-0001

Re: Riverview Trenton Railroad Company - Petition for an Exemption from 49 USC 10901
to Acquire and
Operate a Rail Line in Wayne County, MI (STB Finance Docket #34040)

Dear Secretary Williams:

I am the plant manager at the Ford Motor Company Brownstown Township facility. I have reviewed the letter dated February 28, 2002, from Mike McCoy to Arnold Mistura. Mr. McCoy is one of my employees at the Ford Brownstown facility. Mr. McCoy does not speak for Ford Motor Company and his letter should not be construed as representing the position of Ford Motor Company.

Sincerely Yours,

Michael Skinner
Michael Skinner
Plant Manager
Brownstown FRC

EXHIBIT B



Lear Corporation
World Headquarters
21557 Telegraph Road
Southfield, MI 48034
USA

Phone (248) 447-1500

March 20, 2002

Direct Dial (248) 447-1799
Fax (248) 447-1809

Christopher T. Koch
Assistant General Counsel

VIA AIRBORNE EXPRESS

The Honorable Vernon A. Williams, Secretary
Case Control Unit
Surface Transportation Board
1925 K Street N.W., Room 713
Washington, DC 20423-0001

Re: Finance Docket No. 34040 -- Riverview Trenton Railroad Company --
Petition for an Exemption from 49 U.S.C. 10901 to Acquire and Operate a
Rail Line in Wayne County, MI

Dear Secretary Williams:

I am Assistant General Counsel for Lear Corporation and in that capacity, have been advised that Riverview Trenton Railroad Company ("RTR") submitted to the Surface Transportation Board a letter dated February 28, 2002, signed by Jim Kozlowski, a Lear employee. A copy of that letter is attached. Mr. Kozlowski is employed by Lear as a Traffic and Purchasing Coordinator at Lear's Detroit, Michigan plant. I understand that Mr. Kozlowski signed the attached letter (which he did not draft) at RTR's request. I am further advised that RTR submitted the letter in support of an application for an exemption so that it may be designated as a railroad and conduct certain intermodal operations in Riverview and Trenton, Michigan.

Regarding the letter, two points merit mentioning. First, the letter does not reflect the considered views of Lear Corporation and Mr. Kozlowski does not have the authority to speak either for Lear Corporation as a whole nor, for that matter, Lear's Detroit facility. Accordingly, you should consider this letter to represent solely the views of Mr. Kozlowski. Secondly, you should also know Mr. Kozlowski was not advised by RTR that the letter would be submitted in support of its application.



The Honorable Vernon A. Williams, Secretary
March 20, 2002
Page 2

For the record, Lear has not assessed RTR's intermodal proposal and does not take any position on the issue.

If you have any questions, please do not hesitate to call.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Chris Koch', written over the typed name.

Christopher T. Koch
Assistant General Counsel

CTK:tdr

Enclosure

LEAR
CORPORATION
4600 Nancy St.
Detroit, Michigan 48212

February 28, 2002

Arnold M. Mistura
Riverview Trenton Railroad Co.
12225 Stephens Road
Warren, MI 48089

RE: Riverview Trenton Railroad Intermodal Proposal

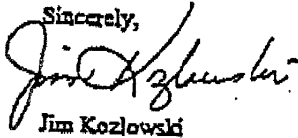
Dear Mr. Mistura:

I am submitting this letter in support of Riverview Trenton Railroad Company (RTRR) with respect to the above-mentioned proposal. It is without question that the proposed intermodal facility will be a benefit to not only our company, but other shippers who could use an additional option for container interchange service in our region.

The benefits to our region would include fewer trucks on the road, more competitively priced freight rates and increased flexibility in shipping options including access to all three major rail lines while reducing long waits at other sites. It is well known that additional intermodal service for our region is a priority as outlined in the Detroit Intermodal Freight Terminal (DIFT) Study which was prepared under authority of the Michigan Department of Transportation. RTRR's proposal is consistent with and furthers the priorities as indicated within the DIFT Study.

We look forward to having access to the additional intermodal facilities and await your confirmation of opening.

Sincerely,



Jim Kozlowski

LEAR
CORPORATION
Lear Corporation
Detroit Plant-N.A./V.D.
Jim Kozlowski
Traffic/Purchasing Coordinator
Main-313-852-7800
Direct-313-852-7850
Cell-584-634-4842
Fax-313-852-7861
e-mail-jkozlowski@lear.com

EXHIBIT C

Detroit Intermodal Freight Terminal Project

Consultant Recommendation

Prepared for:
Michigan Department of Transportation

Prepared by:
**THE CORRADINO GROUP
OF MICHIGAN, INC**

In association with:
Alfred Benesch & Company
Orchard, Hiltz & McCliment, Inc.
Advanced Geomatics
Commonwealth Cultural Resources Group, Inc.
Schutt & Company
SOMAT Engineering, Inc.
Finkbeiner, Pettis & Strout, Inc.

December 2001

1. Introduction

For more than a century, a large railroad yard has existed in an area bounded by John Kronk, Livernois, and Dix extending west to about Miller Street. This yard is just a short distance west of the junction of mainline railroad tracks running east-west and those running roughly north-south (Figure 1-1).

A significant volume of freight being moved by railroads today is being delivered to the rails by trucks. Following the train trip, it is again moved by truck to its final destination. These movements between rail and truck are termed intermodal freight transportation. The most common movements involve transferring containers or trailers between railroad flatcars and trucks. This activity usually takes place at a location called a terminal. Examples are shown on Figure 1-2.

The Detroit Intermodal Freight Terminal Project consists of the development of a complex of terminals operated by several railroads, which will provide efficient intermodal service to business and industry. Presently, there are two intermodal terminals in close proximity in Southwest Detroit: Detroit-Livernois Yard (operated by CSX and Norfolk Southern) and the newly-created yard behind the Michigan Central Depot just north of Bagley (operated by Canadian Pacific Railway). There is another smaller area that may be used for intermodal freight just south of Clark Street adjacent to the old Cadillac plant. These three form the nucleus of what is referred to as the Detroit Intermodal Freight Terminal, the DIFT. There are six other intermodal freight terminals in the Detroit and Southeastern Michigan area.

It is important that the movement of freight that drives jobs and economic growth be facilitated. It is also important to respect the quality of life of the residents of southwest Detroit/east Dearborn. The current DIFT Study is designed to address these issues. During 2001, MDOT and its consultants conducted a feasibility study by analyzing alternatives for terminal development and their associated truck movements, evaluating their impacts, and making recommendations

to protect the neighborhoods as much as possible. The involvement of the community has been encouraged since the outset of the study.

1.1 Project Purpose

The purpose of the Detroit Intermodal Freight Terminal Project is to support the economic competitiveness of southeastern Michigan by improving freight transportation opportunities and efficiencies for business and industry. The goal is to develop a regional facility with sufficient capacity to provide for existing and future intermodal demand. The anticipated public benefits of developing the Detroit Intermodal Freight Terminal complex include the following:

- Investment in southwest Detroit/east Dearborn by building/rebuilding infrastructure that not only accommodates transportation but buffers the rail terminal from adjoining residential areas; reduces safety concerns by avoiding street crossings of rail lines; corrects drainage problems at a number of streets that pass under rail lines; and, establishes sound attenuation devices that reduce unwanted noise.
- Economic redevelopment of portions of Detroit, Dearborn and vicinity, as well as the region, with the associated increase in employment and tax base, including:
 - More construction, manufacturing and transportation jobs.
 - Lower costs to Greater Detroit Area consumers of products from automobiles to other items.
- Reduced truck "vehicle miles traveled" on Michigan highways. Reducing truck "VMT" saves lives, reduces pollution, and conserves highway capacity.
- Provision of necessary infrastructure to support current and

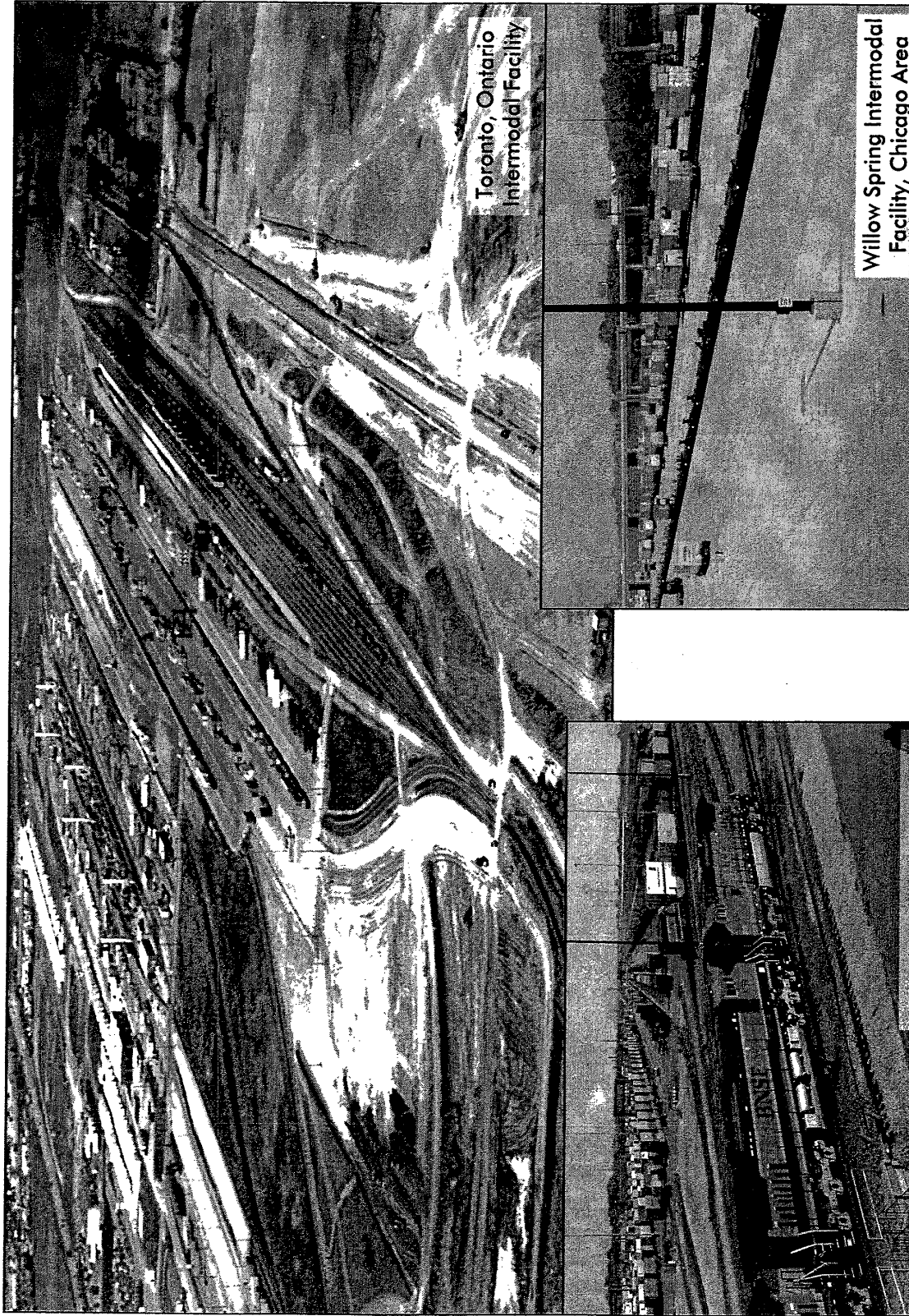


Figure 1-2
Intermodal Terminal Examples

SOURCE: Canadian Pacific Railway & The Corradino Group of Michigan, Inc.
L:\Project\2016\Breglia\703\Fig 1.2.drw

future distribution needs of the auto manufacturers, the state's largest industry.

- Existence of the opportunity for MDOT to focus highway investments at a single World-Class freight transportation hub around which further industrial development can occur.

The anticipated private benefits include:

- For the railroads:
 - Opportunities to gain significant additional traffic volume.
 - Low-cost, efficient rail and terminal capacity.
- For the auto manufacturers:
 - Enhanced access to both domestic and international intermodal freight transportation systems.
 - Efficient service based on equal access for all Southeastern Michigan Class I rail carriers.
- For other shippers/receivers in Southeastern Michigan:
 - Improved intermodal freight access to the 8th largest metropolitan area in the United States.
 - A greater range of freight transportation service options.

If nothing were done, on the other hand, the railroads would likely pursue developments to accommodate their needs which may involve less consideration of community/environmental issues as compared to situations in which government is involved. And, if nothing were done, shippers will move traffic directly by truck to other gateways in ever-growing amounts (e.g. Chicago, Cincinnati, Toledo) with negative

environmental and economic consequences for the Greater Detroit Area.

The goal of this Feasibility Study is to facilitate the project goal by:

- Identifying the footprint, and requirements for road right-of-way, and/or ancillary railway facilities, for the Intermodal Freight Terminal under several growth scenarios;
- Identifying practical alternatives for roadway access to these alternative scenarios for the Intermodal Freight Terminal; and,
- Identifying potential environmental impacts of the project, and where possible and through continuing analysis, proposing methods to avoid and/or minimize these impacts.

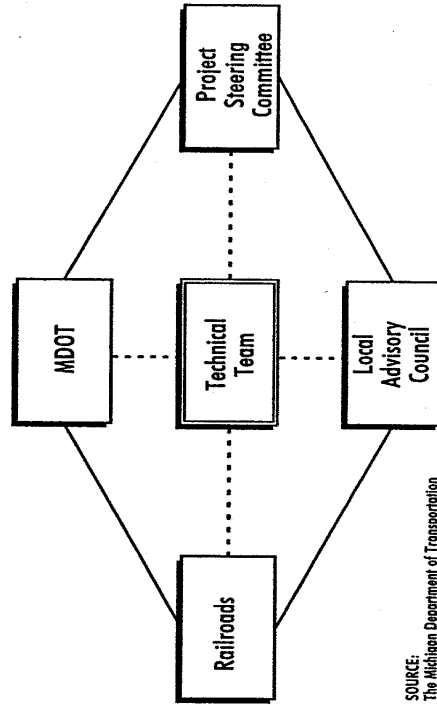
1.2 Organization

The organization guiding the Detroit Intermodal Freight Terminal Project is illustrated on Figure 1-3. The roles of each participant are as follows:

Michigan Department of Transportation – MDOT is the contracting agency for the study. It has ultimate responsibility for making study recommendations to the Governor. MDOT has responsibility for implementing the project's results.

Project Steering Committee – This group is comprised of MDOT, City of Detroit, Wayne County, City of Dearborn, SEMCOG, the Federal Highway Administration, the Detroit Economic Growth Corporation, DaimlerChrysler Corporation, Ford Motor Company, General Motors Corporation, and Arbor Vista Transportation Consultants. CSX, Canadian National Railroad (CN), Canadian Pacific Railway (CP) and Norfolk Southern Railroad (NS) also participate. The Steering Committee provides monthly guidance of the project. Its meetings are open to the public.

Figure 1-3
Detroit Intermodal Freight Terminal Project
Project Organization



Local Advisory Council – This group is comprised of individuals representing themselves and groups from the study area. Invitees and those who have joined include Alliance Shippers, Inc., Barge Transit, Boniface Community Center, The Canadian Transit Company, Centra Inc., Corktown Citizens District Council, Detroit Chamber of Commerce, Detroit International Bridge Company, Detroit Police Department, Hispanic Business Alliance, Hubbard-Richard Citizens District Council, Latino Family Services, Michigan Environmental Council, Mt. Zion MBS/Moses, The O-J Group, Southwest Detroit Business Association, Southwest Detroit Coalition, U.S. Customs Ambassador Bridge Station. This group receives project reports prior to discussions at public meetings. It is asked to provide input to the course of the project. Its meetings are open to the public.

Railroads – The list of railroads that could be affected by this project include Burlington Northern Santa Fe, Canadian National Railway,

Canadian Pacific Railway, CSX Transportation, Norfolk Southern Corp., and Union Pacific Railroad. They review, as appropriate, products of the project and provide input to the Technical Team to develop intermodal terminals, the proposed construction of appropriate rail connections and other intermodal transportation facilities/service.

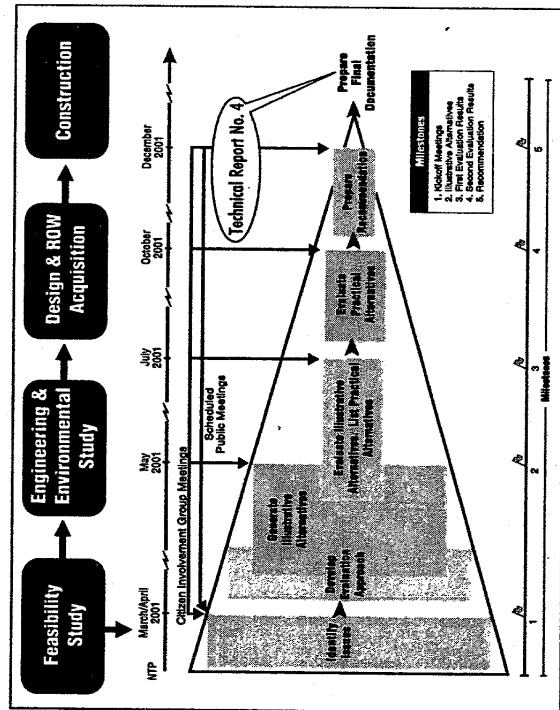
Technical Team – This group is comprised of a technical representative of each government agency represented on the Project Steering Committee. It meets monthly to review/direct work of the consulting team, The Corradino Group, Arbor Vista Transportation, et al.

1.3 Schedule

The Feasibility Study is the first of three steps that must be taken if a project is to advance to implementation (Figure 1-4). This Feasibility Study is viewed as a process where, at the outset, many options are examined across a broad background of data to help narrow the focus to a fewer number of alternatives that have greater potential to work. The process then increases the depth of analysis on these fewer alternatives, again moving toward defining those more likely to be implemented. This narrowing process continues until a point when, if improvements are ultimately found to be feasible, a separate environmental study will be performed to determine if federal clearance can be achieved.

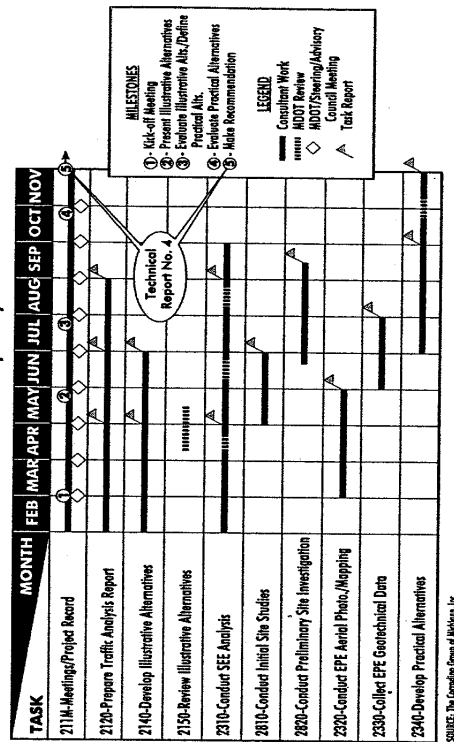
The Feasibility Study phase of the DIFT Project has taken ten months, beginning in early February 2001, with the consultant's recommendations being provided to MDOT in early December 2001 (Figure 1-5). In March 2001, and then again in April, the MDOT/consultant team introduced the project to the public. Meetings have been and continue to be held with individuals and small groups, all with the intent of introducing the project and gathering information on concerns/needs associated with intermodal activity now and in the future. This information, combined with guidance/input provided by members of the project's Local Advisory Council, Technical Team and Steering Committee, allowed Technical Reports No. 1 and No. 2

Figure 1-4
Feasibility Study Process



to be prepared. TR No. 1 defined the Illustrative Roadway Alternatives, i.e., concepts associated with the Detroit Intermodal Freight Terminal Project. These concepts were presented to the public in the latter part of May to gather further input so the alternatives could be refined, and eight evaluation criteria were rated by the public, the Local Advisory Council and the Technical Team. Based on that input, the Illustrative Alternatives were refined and evaluated. The results were presented in Technical Report No. 2—Evaluation of Illustrative Roadway Alternatives. In it, the consultant concluded that the Baseline roadway system, which includes no improvements beyond those already committed to in SEMCOG's long-range plans, can handle traffic expected with the maximum expansion of the intermodal terminal at

Figure 1-5
Detroit Intermodal Freight Terminal Project
Schedule for Feasibility Study Phase



the Detroit-Livernois Yard. The likely roadway-related impacts measured in eight areas are not expected to be significant by the consultant.

In advancing these proposed roadway improvements, the consultant updated the traffic analysis to reflect expected future conditions. This involved changes from the traffic forecasts used in the evaluation of Illustrative Roadway Alternatives as those earlier forecasts were uniquely emphasized to create a rigorous test with a significant safety factor.

Technical Report No. 3 was produced in October and reviewed with the public at meetings on October 24 and 25. It focused on three rail strategies and their potential effects. Based on the results of Technical Reports 2 and 3 and input of the public, the Technical Team and the Steering Committee, the consultant has prepared the recommendation contained here in Technical Report No. 4.

Greater Detroit Area Intermodal Study
Final Report

December 1993

Prepared for:
Bureau of Transportation Planning
Michigan Department of Transportation
425 West Ottawa
Lansing, Michigan 48909

Gloria J. Jeff, Advisory Committee Chair
James L. Roach, Project Manager
Larry B. Karnes, Assistant Project Manager

- **Reduction in financial and physical barriers**
 - A regional terminal could be designed to be faster, safer and more efficient than any currently in the GDA.
 - The barriers and inefficiencies associated with many of the current smaller facilities could be reduced.
 - Given the proper mix of private and public investment in this development effort, the project could be used to encourage local entrepreneurs to participate in the intermodal distribution industry.
- **Ancillary benefits, e.g., jobs, heightened growth prospects, reduced congestion**
 - Investment in modern, distribution-related infrastructure may be viewed as a positive commitment to providing the region's manufacturers with the most cost-efficient intermodal service possible.
 - The development of unused or underused land in the GDA could increase the property tax base.
 - A central shared facility could reduce the amount of truck traffic on GDA and Michigan highways, reducing highway maintenance expenses, extending bridge life, and reducing vehicle miles traveled.
 - A regional solution may also be environmentally "friendly." No wetlands or national historic landmarks would be involved in a regional Junction Yard development and increased use of intermodal could lead to improved air quality.
 - A central regional GDA intermodal terminal project could be a positive step in the continuing revitalization of the GDA to which the private sector might be expected to contribute and which may generate other economic development benefits.
 - The creation and operation of a regional GDA intermodal terminal will create jobs. The economic multiplier for this kind of facility may be significant, extending beyond direct terminal jobs into the areas of warehousing, trucking and other distribution functions.

Detroit Intermodal Freight Terminal Project

Consultant Recommendation

Prepared for:
Michigan Department of Transportation

Prepared by:
**THE CORRADINO GROUP
OF MICHIGAN, INC**

In association with:

Alfred Benesch & Company
Orchard, Hiltz & McCliment, Inc.

Advanced Geomatics

Commonwealth Cultural Resources Group, Inc.

Schuff & Company

SOMAT Engineering, Inc.

Finkbeiner, Pettis & Strout, Inc.

December 2001

1. Introduction

For more than a century, a large railroad yard has existed in an area bounded by John Kronk, Livernois, and Dix extending west to about Miller Street. This yard is just a short distance west of the junction of mainline railroad tracks running east-west and those running roughly north-south (Figure 1-1).

A significant volume of freight being moved by railroads today is being delivered to the rails by trucks. Following the train trip, it is again moved by truck to its final destination. These movements between rail and truck are termed intermodal freight transportation. The most common movements involve transferring containers or trailers between railroad flatcars and trucks. This activity usually takes place at a location called a terminal. Examples are shown on Figure 1-2.

The Detroit Intermodal Freight Terminal Project consists of the development of a complex of terminals operated by several railroads, which will provide efficient intermodal service to business and industry. Presently, there are two intermodal terminals in close proximity in Southwest Detroit: Detroit-Livernois Yard (operated by CSX and Norfolk Southern) and the newly-created yard behind the Michigan Central Depot just north of Bagley (operated by Canadian Pacific Railway). There is another smaller area that may be used for intermodal freight just south of Clark Street adjacent to the old Cadillac plant. These three form the nucleus of what is referred to as the Detroit Intermodal Freight Terminal, the DIFT. There are six other intermodal freight terminals in the Detroit and Southeastern Michigan area.

It is important that the movement of freight that drives jobs and economic growth be facilitated. It is also important to respect the quality of life of the residents of southwest Detroit/east Dearborn. The current DIFT Study is designed to address these issues. During 2001, MDOT and its consultants conducted a feasibility study by analyzing alternatives for terminal development and their associated truck movements, evaluating their impacts, and making recommendations

to protect the neighborhoods as much as possible. The involvement of the community has been encouraged since the outset of the study.

1.1 Project Purpose

The purpose of the Detroit Intermodal Freight Terminal Project is to support the economic competitiveness of southeastern Michigan by improving freight transportation opportunities and efficiencies for business and industry. The goal is to develop a regional facility with sufficient capacity to provide for existing and future intermodal demand. The anticipated public benefits of developing the Detroit Intermodal Freight Terminal complex include the following:

- Investment in southwest Detroit/east Dearborn by building/rebuilding infrastructure that not only accommodates transportation but buffers the rail terminal from adjoining residential areas; reduces safety concerns by avoiding street crossings of rail lines; corrects drainage problems at a number of streets that pass under rail lines; and, establishes sound attenuation devices that reduce unwanted noise.
- Economic redevelopment of portions of Detroit, Dearborn and vicinity, as well as the region, with the associated increase in employment and tax base, including:
 - More construction, manufacturing and transportation jobs.
 - Lower costs to Greater Detroit Area consumers of products from automobiles to other items.
- Reduced truck "vehicle miles traveled" on Michigan highways. Reducing truck "VMT" saves lives, reduces pollution, and conserves highway capacity.
- Provision of necessary infrastructure to support current and



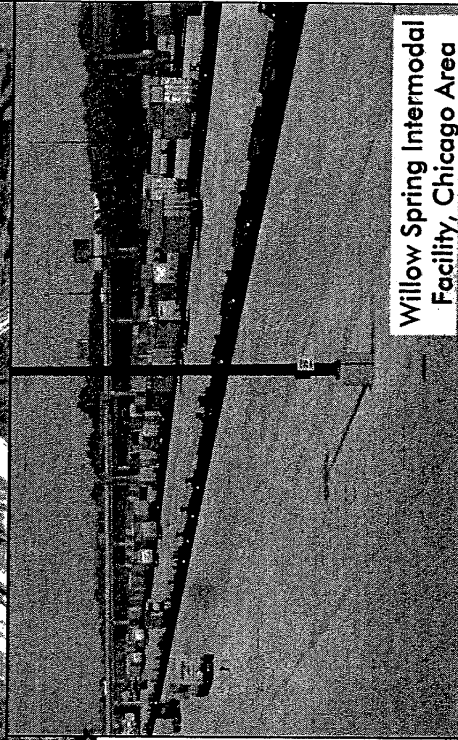
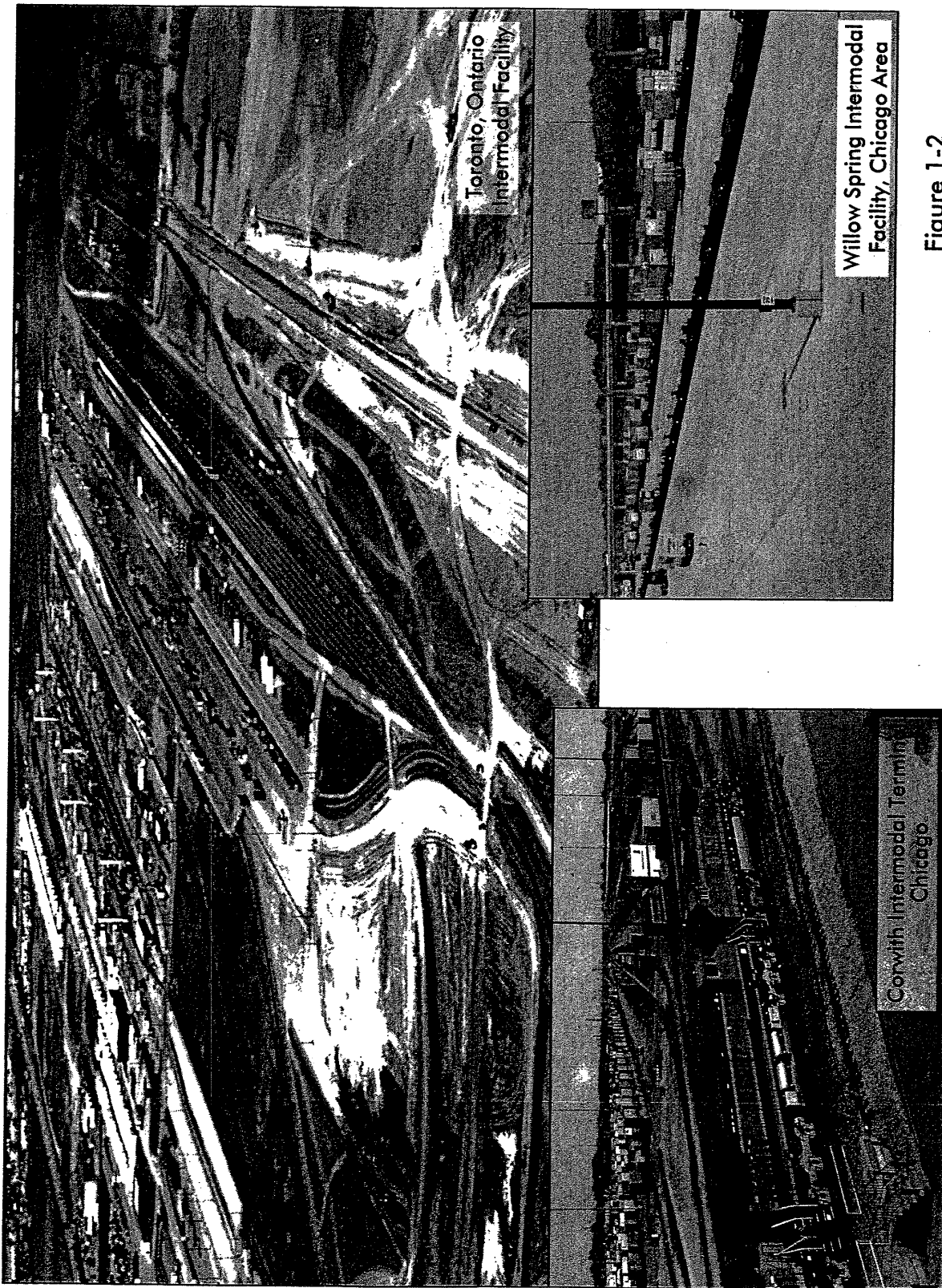


Figure 1-2
Intermodal Terminal Examples

SOURCE: Canadian Pacific Railway & The Corradino Group of Michigan, Inc.
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future distribution needs of the auto manufacturers, the state's largest industry.

- Existence of the opportunity for MDOT to focus highway investments at a single World-Class freight transportation hub around which further industrial development can occur.

The anticipated private benefits include:

- For the railroads:
 - Opportunities to gain significant additional traffic volume.
 - Low-cost, efficient rail and terminal capacity.
- For the auto manufacturers:
 - Enhanced access to both domestic and international intermodal freight transportation systems.
 - Efficient service based on equal access for all Southeastern Michigan Class I rail carriers.
- For other shippers/receivers in Southeastern Michigan:
 - Improved intermodal freight access to the 8th largest metropolitan area in the United States.
 - A greater range of freight transportation service options.

If nothing were done, on the other hand, the railroads would likely pursue developments to accommodate their needs which may involve less consideration of community/environmental issues as compared to situations in which government is involved. And, if nothing were done, shippers will move traffic directly by truck to other gateways in ever-growing amounts (e.g. Chicago, Cincinnati, Toledo) with negative

environmental and economic consequences for the Greater Detroit Area.

The goal of this Feasibility Study is to facilitate the project goal by:

- Identifying the footprint, and requirements for road right-of-way, and/or ancillary railway facilities, for the Intermodal Freight Terminal under several growth scenarios;
- Identifying practical alternatives for roadway access to these alternative scenarios for the Intermodal Freight Terminal; and,
- Identifying potential environmental impacts of the project, and where possible and through continuing analysis, proposing methods to avoid and/or minimize these impacts.

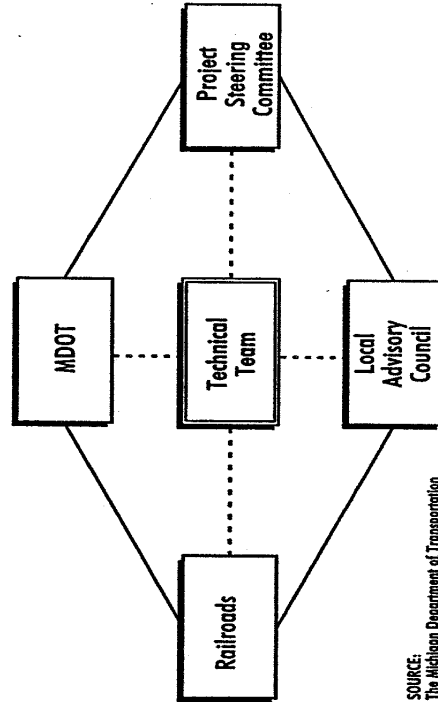
1.2 Organization

The organization guiding the Detroit Intermodal Freight Terminal Project is illustrated on Figure 1-3. The roles of each participant are as follows:

Michigan Department of Transportation – MDOT is the contracting agency for the study. It has ultimate responsibility for making study recommendations to the Governor. MDOT has responsibility for implementing the project's results.

Project Steering Committee – This group is comprised of MDOT, City of Detroit, Wayne County, City of Dearborn, SEMCOG, the Federal Highway Administration, the Detroit Economic Growth Corporation, DaimlerChrysler Corporation, Ford Motor Company, General Motors Corporation, and Arbor Vista Transportation Consultants. CSX, Canadian National Railroad (CN), Canadian Pacific Railway (CP) and Norfolk Southern Railroad (NS) also participate. The Steering Committee provides monthly guidance of the project. Its meetings are open to the public.

Figure 1-3
Detroit Intermodal Freight Terminal Project
Project Organization



Canadian Pacific Railway, CSX Transportation, Norfolk Southern Corp., and Union Pacific Railroad. They review, as appropriate, products of the project and provide input to the Technical Team to develop intermodal terminals, the proposed construction of appropriate rail connections and other intermodal transportation facilities/service.

Technical Team – This group is comprised of a technical representative of each government agency represented on the Project Steering Committee. It meets monthly to review/direct work of the consulting team, The Corradino Group, Arbor Vista Transportation, et al.

1.3 Schedule

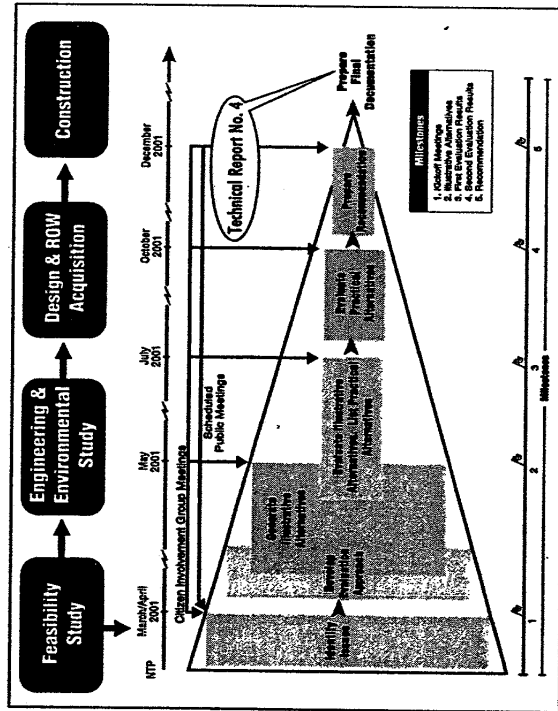
The Feasibility Study is the first of three steps that must be taken if a project is to advance to implementation (Figure 1-4). This Feasibility Study is viewed as a process where, at the outset, many options are examined across a broad background of data to help narrow the focus to a fewer number of alternatives that have greater potential to work. The process then increases the depth of analysis on these fewer alternatives, again moving toward defining those more likely to be implemented. This narrowing process continues until a point when, if improvements are ultimately found to be feasible, a separate environmental study will be performed to determine if federal clearance can be achieved.

The Feasibility Study phase of the DIFT Project has taken ten months, beginning in early February 2001, with the consultant's recommendations being provided to MDOT in early December 2001 (Figure 1-5). In March 2001, and then again in April, the MDOT/consultant team introduced the project to the public. Meetings have been and continue to be held with individuals and small groups, all with the intent of introducing the project and gathering information on concerns/needs associated with intermodal activity now and in the future. This information, combined with guidance/input provided by members of the project's Local Advisory Council, Technical Team and Steering Committee, allowed Technical Reports No. 1 and No. 2

Local Advisory Council – This group is comprised of individuals representing themselves and groups from the study area. Invitees and those who have joined include Alliance Shippers, Inc., Barge Transit, Boniface Community Center, The Canadian Transit Company, Centra Inc., Corktown Citizens District Council, Detroit Chamber of Commerce, Detroit International Bridge Company, Detroit Police Department, Hispanic Business Alliance, Hubbard-Richard Citizens District Council, Latino Family Services, Michigan Environmental Council, Mt. Zion MBS/Moses, The O-J Group, Southwest Detroit Business Association, Southwest Detroit Coalition, U.S. Customs Ambassador Bridge Station. This group receives project reports prior to discussions at public meetings. It is asked to provide input to the course of the project. Its meetings are open to the public.

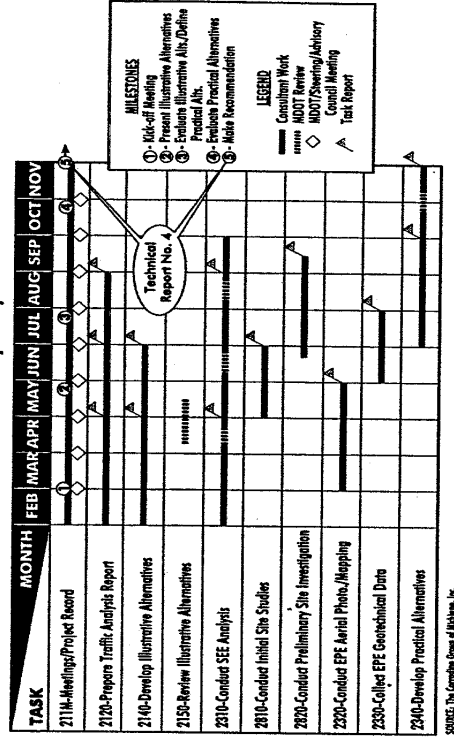
Railroads – The list of railroads that could be affected by this project include Burlington Northern Santa Fe, Canadian National Railway,

Figure 1-4
Feasibility Study Process



to be prepared. TR No. 1 defined the Illustrative Roadway Alternatives, i.e., concepts associated with the Detroit Intermodal Freight Terminal Project. These concepts were presented to the public in the latter part of May to gather further input so the alternatives could be refined, and eight evaluation criteria were rated by the public, the Local Advisory Council and the Technical Team. Based on that input, the Illustrative Alternatives were refined and evaluated. The results were presented in Technical Report No. 2—Evaluation of Illustrative Roadway Alternatives. In it, the consultant concluded that the Baseline roadway system, which includes no improvements beyond those already committed to in SEMCOG's long-range plans, can handle traffic expected with the maximum expansion of the intermodal terminal at

Figure 1-5
Detroit Intermodal Freight Terminal Project
Schedule for Feasibility Study Phase



the Detroit-Livernois Yard. The likely roadway-related impacts measured in eight areas are not expected to be significant by the consultant.

In advancing these proposed roadway improvements, the consultant updated the traffic analysis to reflect expected future conditions. This involved changes from the traffic forecasts used in the evaluation of Illustrative Roadway Alternatives as those earlier forecasts were uniquely emphasized to create a rigorous test with a significant safety factor.

Technical Report No. 3 was produced in October and reviewed with the public at meetings on October 24 and 25. It focused on three rail strategies and their potential effects. Based on the results of Technical Reports 2 and 3 and input of the public, the Technical Team and the Steering Committee, the consultant has prepared the recommendation contained here in Technical Report No. 4.

EXHIBIT D

Detroit Intermodal Freight Terminal

Background

Intermodal transportation, the fastest growing segment of the freight industry, is an essential element in the growth and success of industries and businesses in southeast Michigan. Detroit is already one of the top ten intermodal markets in North America. Its key location as the gateway to Canada, its long history as the home of the automotive industry, its role as a major manufacturing center, and its population of five million consumers make the Greater Detroit Area a major intermodal transportation market.

The Michigan Department of Transportation (MDOT) sponsored studies to look at intermodal growth issues and terminal needs in the Greater Detroit Area. The studies determined that approximately 400,000 trailers or containers per year are handled at the existing terminals in the Detroit area and an additional 180,000 are trucked to other intermodal terminals located in Chicago, Toledo, Cincinnati, and Toronto. The traffic that is trucked to other rail gateways adds further congestion to the major international corridors across Michigan, including I-94 and I-75.

The studies also found that the area was served by a dispersed set of relatively small intermodal terminals which were mostly operating at or above their design capacity. Estimates of growth of intermodal traffic for the region were generated (which have been shown to be conservative) and compared with the terminal capacity. The total number of trailers or containers that will be handled in Detroit, including those currently trucked to other gateways, could increase to one million by 2015 or sooner. It was evident that the existing terminals were insufficient to accommodate the expected growth of traffic and that the "do nothing" approach would result in each railroad adding additional terminal capacity, and perhaps additional terminals, when needed and without any coordination with other carriers or shippers. The result would be an even more inefficient, widely dispersed set of terminals--each of which would place demands on the highway system for access. Since the planning efforts began, two railroads have constructed additional terminals to accommodate intermodal traffic growth.

MDOT's consultants then proposed the development of a large intermodal terminal which would be served by all Class I railroads and provide the economies of scale which would allow lower operating costs and increased capacity. Additionally, the Michigan Department of Transportation and local road agencies could focus their resources on providing a high-level access to a single intermodal terminal site.

An extensive site selection process was undertaken for a possible location. The area including and surrounding the existing Junction/Livernois Yard was determined to be the best location for the intermodal terminal complex. The area has the following attributes:

- The rail yard has been in existence for over a century and is underutilized
- The area is accessible to all Class I railroads (Canadian National, Canadian Pacific, CSX Transportation, Norfolk Southern) and is centrally located between I-75 and I-94, Michigan's principal commercial highways and international corridors
- The area is centrally located with respect to shippers in southeast Michigan

- The area is predominantly zoned for industrial or manufacturing purposes

Project Benefits

Development of the Detroit Intermodal Freight Terminal complex will provide significant benefits to both the public and private sectors.

For the State of Michigan and the Greater Detroit Area, the project will provide:

- Reduced truck traffic, particularly on the major border access corridors of I-94 and I-75 and international border crossings, resulting in less congestion and lower maintenance costs
- An opportunity to focus development of intermodal connectors
- Increased competitiveness for goods produced
- A world-class transportation hub around which further industrial redevelopment can occur
- Improved long-term viability of the automotive industry
- Job growth and an improved tax base

For the railroads, the project will provide:

- Opportunities to gain additional intermodal traffic from the automotive industry, their suppliers, and other major shippers
- Additional low-cost, efficient, local rail infrastructure and terminal capacity

For the automotive industry and other major shippers, the project will provide:

- Enhanced access to both international and domestic intermodal freight transportation systems
- Efficient service based on equal access for all Class I railroads in southeast Michigan
- Improved intermodal access to the 8th largest metropolitan area in the United States
- A greater range of freight transportation service options

Development Plan

The consulting team's original concept proposal called for the development of a single, large intermodal terminal which would be utilized by all the Class I railroads serving the Greater Detroit market. The terminal would possibly be publicly-owned and developed cooperatively by the public and private sectors. The concept was discussed extensively with the railroads, which had concerns about ownership issues and operations into an intermodal terminal that they did not control. As a result of these very useful discussions with the railroads, the concept was modified slightly to include a complex of intermodal terminals, each owned or operated by individual railroads. This allows each railroad to control its own service, operations, and reliability, while preserving the benefits of consolidating intermodal services into a single area.

Actual development of the terminal complex will be a partnership between the public sector and the private railroads which provide intermodal freight services. Public monies will be made available on a matching basis, either through loans or grants, to individual railroads for the construction of or improvements to intermodal terminals within the complex, or for improvements to the rail infrastructure

which provides access to the complex. The automotive industry and other major shippers will participate in the form of agreements with the railroads to offer intermodal cargo to be carried by the railroads. Provision of adequate highway access to the terminal complex will be the responsibility of the appropriate state, county, or city road authority.

Current Status

Planning and coordination have continued to refine the concept and address issues including property requirements, funding mechanisms, governance, terminal operations, trackage rights, highway improvements, and environmental impacts. Negotiations with each of the railroads, the automotive industry, and other major shippers continue.

A project Steering Committee meets monthly to monitor the progress and guide the project. It includes representatives from the Michigan Department of Transportation, Detroit Department of Transportation, Detroit Economic Growth Corporation, City of Dearborn, Wayne County, Southeast Michigan Council of Governments, Federal Highway Administration, DaimlerChrysler Corporation, Ford Motor Company, General Motors Corporation, and the consulting firms under contract to MDOT.

A Local Advisory Council has been established and is comprised of a variety of organizations and agencies. It receives project reports prior to discussions at public meetings and provides regular input to the project, including the evaluation of highway access alternatives.

A series of meetings for the general public are scheduled to be held within the local community. The purpose is to provide information concerning the project to the local residents and other interested parties, as well as receiving comments from them.

The project is included in the Southeast Michigan Council of Government's Regional Transportation Plan and Transportation Improvement Program, and in the Michigan Department of Transportation's State Transportation Improvement Program.

Public Endorsements

The project has received strong support from Governor John Engler, Mayor Dennis Archer, Congresswoman Kilpatrick, Congressman Dingell, and others. Governor Engler's support has included personal conversations with the CEO's of the Class I railroads and automotive industry executives, as well as approval for continued state planning activities for the project. Mayor Archer has stated his support through numerous meetings and conversations with automotive industry executives and direction to city agencies to participate in the project. As a state legislator, Ms. Kilpatrick sponsored legislation leading to the initial consultant study of the project. As a Congresswoman, she and Congressman Dingell have expressed their support for the project by including it as a high priority project within TEA-21 and providing \$18 million in federal funding. Support from private parties includes the automotive manufacturers, other shippers, and railroads. Negotiations and discussions with these parties continue and they are directly participating in the planning process for the project.

Mar-21-2002 12:45pm From-

JOHN D. CONNELL
16TH DISTRICT, MICHIGAN

RANKING MEMBER
COMMITTEE ON
ENERGY AND COMMERCE

CO-CHAIR
HOUSE GREAT LAKES
TASK FORCE

MEMBER
MIGRATORY BIRD
CONSERVATION COMMISSION

EXHIBIT E

**Congress of the United States
House of Representatives
Washington, DC 20515-2216**

March 21, 2002

T-074 P.002/003 F-500

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The Honorable Linda Morgan
Chairman
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423

The Honorable Wayne O. Burkes
Vice Chairman
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423

Re: Riverview Trenton Railroad Company – Acquisition and Operations
Exemption – Crown Enterprises
Finance Docket No. 34040

Dear Madame Chairman and Mr. Vice Chairman:

I write in continued opposition to the Riverview Trenton Railroad Company's (RTR) petition for an individual exemption filed on May 1, 2001. After reviewing the comments filed in this proceeding, it is quite apparent that RTR's petition is not necessary and would not serve the public interest.

Clearly, RTR does not need federal railroad classification to operate an intermodal facility on the old McLouth Steel property. The only benefit RTR gains from approval of its petition is an exemption from local land use regulations. If RTR is granted federal railroad status, it would blow a gaping hole in the local communities' efforts to redevelop the area in a way that best prepares for the future. It would also give RTR the authority to condemn surrounding property and expand its operations, even though that would be contrary to local planning and land use policies. Moreover, there is no need for the Board to assert jurisdiction over RTR's proposed project since the essence of that project is the establishment and operation of an intermodal terminal by an entity that is not a rail common carrier and cannot meaningfully operate as a rail common carrier.

It is important to note that Congress has already addressed the issue of multiple intermodal facilities in Southeast Michigan. In 1998, Congress provided \$18 million in initial funding to begin development of a \$125 million Detroit Intermodal Freight Terminal (DIFT). Total federal funding is expected to top \$50 million for this project.

Page 2

March 20, 2002

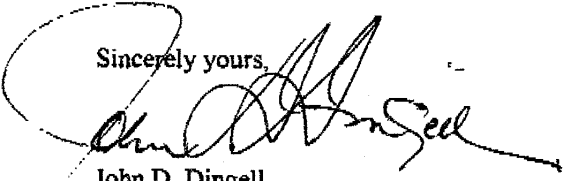
DIFT is an effort by the federal, state and local governments, as well as private industry, to create a single intermodal terminal, consolidating all intermodal services in Southeast Michigan. The purpose of this project is to consolidate intermodal terminals to remove unnecessary congestion, pollution, and truck, rail and barge traffic from the surrounding communities. Consolidation of intermodal terminals in Southeast Michigan creates enormous benefits for businesses and local communities alike

The DIFT has excellent access for the railroads and is located between I-75 and I-94, Michigan's principal commercial highways. The site chosen for DIFT is centrally located for shippers and is in an industrial area where there is much underutilized land for both the terminal and ancillary developments. An STB decision to grant RTR's petition would turn years of federal, state and local land use planning on its head, and is not in the interest of Southeast Michigan.

Accordingly, I urge the Board in the strongest possible terms to reject RTR's petition. Please include this letter in the record of this proceeding.

With every good wish,

Sincerely yours,


John D. Dingell
Member of Congress

pf

EXHIBIT F

MERCER
Management Consulting

Greater Detroit Area Intermodal Study

Final Report

December 1993

Prepared for:

**Bureau of Transportation Planning
Michigan Department of Transportation
425 West Ottawa
Lansing, Michigan 48909**

**Gloria J. Jeff, Advisory Committee Chair
James L. Roach, Project Manager
Larry B. Kames, Assistant Project Manager**

- Reduction in financial and physical barriers
 - A regional terminal could be designed to be faster, safer and more efficient than any currently in the GDA.
 - The barriers and inefficiencies associated with many of the current smaller facilities could be reduced.
 - Given the proper mix of private and public investment in this development effort, the project could be used to encourage local entrepreneurs to participate in the intermodal distribution industry.
- Ancillary benefits, e.g., jobs, heightened growth prospects, reduced congestion
 - Investment in modern, distribution-related infrastructure may be viewed as a positive commitment to providing the region's manufacturers with the most cost-efficient intermodal service possible.
 - The development of unused or underused land in the GDA could increase the property tax base.
 - A central shared facility could reduce the amount of truck traffic on GDA and Michigan highways, reducing highway maintenance expenses, extending bridge life, and reducing vehicle miles traveled.
 - A regional solution may also be environmentally "friendly." No wetlands or national historic landmarks would be involved in a regional Junction Yard development and increased use of intermodal could lead to improved air quality.
- A central regional GDA intermodal terminal project could be a positive step in the continuing revitalization of the GDA to which the private sector might be expected to contribute and which may generate other economic development benefits.
- The creation and operation of a regional GDA intermodal terminal will create jobs. The economic multiplier for this kind of facility may be significant, extending beyond direct terminal jobs into the areas of warehousing, trucking and other distribution functions.