



GREAT LAKES BASIN TRANSPORTATION, INC.

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November 30, 2016

Ms. Victoria Rutson
Director
Office of Environmental Analysis
Surface Transportation Board
Washington, DC 20423

Re: Finance Docket No. 35952, Great Lakes Basin Transportation, Inc.
Information Request Number 3

Dear Ms. Rutson,

This response is to your October 11 letter concerning transit feasibility limits; elaboration on the land use of the Manteno Railport and Interstate Highway access; GIS information for the revised portions of GLBT's preferred route; the relevance of the Kingsbury Branch, South Shore Freight, and City of Rochelle Railroad connections to the proposed project's purpose; and the relative importance of "anchor points" to the proposed project's feasibility.

OEA Information Request Number 3 Questions and Answers

Question 1

Elaborate on your response to Information Request #1, Question #1, by providing and explaining the end-to-end travel time and corresponding rail line length above which the project would not be commercially feasible.

Response: The estimated end-to-end travel time between Pinola, IN, MP 0.0, and Milton, WI, MP 244.1 would vary depending upon traffic and train type, traffic level on the proposed line, whether it is necessary to hold or stage the train for the destination railroad, and the nature of the operation – origin railroad to destination railroad run-through train, origin railroad to GLBT train (with through power, or with power swap), and various combinations thereof.

At its simplest (pure run-through train, no power swap, 1 hour stop* at Manteno for inspection, servicing, etc.) the running time from point-to-point would range from 7:55 hours* for restricted unit trains (45 mph) to 5:27 hours* for intermodal trains (70 mph).

The weighted average end-to-end transit time based on Average Train Speed, by Segment (Year 3) and Average Trains Per Day, by Segment and Train Type as provided in the response to the STB OEA Information Request Number 2 submitted November 10, 2016 would be 6:12 hours*.

* Note: The hour allotted to train inspections at Manteno Railport would apply only to trains that require a fueling and mandatory FRA mechanical, air brake, and safety inspection.

Given the current average time to traverse the Chicago rail network of 33 hours, the anticipated GLBT average transit time of 8 hours is one of the critical value elements justifying the investment in this project. The proposed investment still makes business sense if the end to end time is up to 12:00 hours. At longer transit times, though, the attractiveness of the bypass alternative to the connecting railroads and shippers would be greatly diminished, as key train connections would likely be missed.

It should be kept in mind, with reference to the traffic projections we provided in our response to Information Request #2, that relatively few trains would operate from end to end over the proposed railroad. Most trains would use the railroad for a shorter distance.

Question 2

Elaborate on your response to Information Request #1, Question #6, by providing and explaining the dimensions of a reasonably foreseeable Railport that would accommodate the project purpose and be consistent with anticipated operations. Also, explain the relevance of ready access to the Interstate Highway system to GLBT's purpose for the proposed project. Based on these characteristics (in addition to relatively flat and unobstructed, etc.), what locations in addition to the proposed location in Manteno would be feasible?

Response: The proposed Manteno Railport is intended to accommodate various services and functions of the proposed railroad and the railroad's operating headquarters building and training facility. The Manteno Railport could also offer space for potential future development by third parties, including intermodal facilities that would benefit from a location with nearby interstate highway access. GLBT would explore those possibilities as they arise. At present, the Railport's proposed uses would include the following:

- Accommodation of trains of up to 15,000 feet in length on level track without delay to other traffic traversing GLBT
- Staging/holding of trains of up to 15,000 feet in length on level track for destination railroad acceptance

- Mainline locomotive servicing (mainline fueling and servicing for through power)
- Train inspections
- Locomotive servicing (diesel locomotive service facility for required inspections and running/light repairs)
- Loop/wye track(s) for turning locomotives and/or rail cars when required
- Running/light car repairs
- Block swapping (connection of large blocks of cars from one train to another)
- Classification of less than trainload traffic delivered to GLBR, or originating/terminating along the GLBT route
- GLBT crew facilities
- Intermodal railcar sorting and staging
- Storage-in-Transit (SIT) yard(s)
- Centralized railcar maintenance and repair
- Centralized locomotive maintenance and repair
- Connecting railroad and GLBT crew taxi services
- GLBT headquarters offices and meeting center
- GLBT training center
- Paved surface roads providing ingress/egress to GLBT facilities
- Security and emergency response (fire station(s), EMT, etc.)
- Drainage and water management (accommodation of existing drainage and waterways crossing the property as well as mitigation of the conversion of cultivated land to rails, roads, buildings and concrete pads)
- Accommodation of, and access to Heusing Cemetery and Zion Lutheran Church

It is important that the proposed Railport be located as close to the middle of the project as possible from both a geographic and traffic balance perspective, centralizing the location of support services for the entire project. It is also important for the site of the Railport to be as level as possible and to cross as few watercourses as possible, to minimize grading and channeling expenses. Another key consideration is sufficient length to enable the acceleration and deceleration of long trains between adjacent connections. As the Railport could in the future include an intermodal terminal and rail/truck transfer facilities, quick access to the Interstate Highway network is essential, and the site cannot cross any existing railroad line. Finally, the site needs to be of sufficient size to accommodate future rail traffic growth.

The only site along the proposed railroad's route meeting these criteria (particularly the need to arrive, stage and depart trains up to 15,000 feet in length on level track) is the Manteno site.

All other potential sites present difficulties such as excessive grading requirements, impacts on existing waterways and environmentally sensitive areas, situated too far from the geographic center and traffic centroid of the project, and existing railroads crossing the site, or providing poor access to Interstate highways, but most importantly being of sufficient length to accommodate the proposed railroad's primary mission of handling long, by-pass trains.

Question 3

Provide GIS information for GLBT's new preferred route comparable to the information provided by GLBT for other routes in response to Information Request #1.

Response: As per request, GIS information for the new preferred route is being provided separately from this letter response.

Question 4

Provide further explanation of the relevance of (1) the Kingsbury Branch connection to South Shore Freight and (2) connection to the City of Rochelle Railroad (at approximately MP 163.5 of the new preferred route) as they relate to the purpose of the proposed project.

Response: In response to the first question (1), the purposes of the Kingsbury Branch connection to South Shore Freight are to give South Shore customers access to the improved service our proposed railroad will offer, and to provide our railroad with a connection to CSX's Grand Rapids Subdivision at Michigan City, IN. With this connection, GLBT would be able to interchange traffic with every line haul railroad serving the Chicago Region.

We initially considered extending the proposed railroad northward to a direct connection with the Grand Rapids Subdivision in the Michigan City area. However, we determined in our initial internal environmental review and field studies of potential routes between Westville, IN and Michigan City that such an extension is not a viable alternative. The route would have impacted numerous wetland areas, a wildlife sanctuary, and dedicated Indiana State hunting lands. The proposed alignment also would have required a difficult connection to the Norfolk Southern Chicago Line.

A connection with South Shore Freight was in our initial plans to give its customers neutral market access to all the Class One carriers connecting with GLBT. South Shore Freight shippers will benefit from the improved velocity, reliability, capacity, and new revenue opportunities that our project would provide. After determining that a direct connection with CSX's Grand Rapids Subdivision was impractical, we realized that we could make such a connection using South Shore Freight's existing line, and the profile of that line is suitable for the traffic we

expect it would carry (primarily unit coal trains). This reduces the cost and environmental impact of our project.

In response to the second question (2), GLBT has been discussing a connection with the City of Rochelle Railroad near Rochelle, IL for over two years. The City of Rochelle Railroad plans to expand its footprint to attract more rail-served industries on their property and to improve the existing interchange connections with BNSF Railway and Union Pacific Railroad. We are working with the City of Rochelle Railroad on planning the GLBT's interchange location and operations interface. We will notify the OEA as we learn more over the next few months. As with South Shore Freight, the purpose of the City of Rochelle Railroad connection is to provide that railroad's existing and prospective new shippers with access to the improved velocity, reliability, capacity, and new revenue opportunities that GLBT would provide.

Question 5

Identify whether there are any specific locations (“anchor points”) along the preferred route that must be considered in the development of reasonable alternatives for the proposed rail line. If so, explain why the anchor points are necessary for the feasibility of the proposed project.

Response:

There are several points along Preferred Route Number 2 (the new preferred route noted above, submitted September 20, 2016) that should be viewed as “anchor points” to be considered in the development of reasonable alternatives for the proposed project. Apart from the Rock River crossings near Rockford, IL and Beloit, WI, these anchor points are equally applicable to Preferred Route Number 1. In addition, there are several additional points that should be considered as “anchor points” exclusive to Preferred Route Number 1. Proceeding from east to west, the designated points are summarized below:

Anchor Points Common to both Preferred Route Number 1 and Number 2:

- Pinola, IN (GLBR MP 0.0) – Interchange with Norfolk Southern Chicago line, highest volume eastern carrier rail line into Chicago.
- Alida, IN (MP 6.8) – Interchange with CSX Garrett Subdivision, second highest volume eastern carrier rail line into Chicago.
- Sollitt, IL (MP 52.8) – Interchange with UP (Joint with CSX) Villa Grove Subdivision, allowing access to Manteno Railport on an important North-South market line.
- Manteno, IL (MP 63.4) – Interchange with CN Chicago Subdivision, allowing access to Manteno Railport and allowing connection of potential CN operations to Freeport, IL and Milton, WI GLBR points of interchange.

- Kankakee River (MP 74.5) – Kankakee River crossing.
- Mazon, IL (MP 101.8) – Interchange with BNSF California to Chicago mainline with highest western carrier intermodal volume.
- Illinois River (MP 110.5) – Preferred location for Illinois River crossing east of Seneca, IL
- Fox River (MP 128.0) – Preferred location for Fox River crossing south of Sheridan, IL
- Steward Junction, IL (MP 159.0) – Interchange with BNSF Chicago-Pacific Northwest line with high volume of various traffic types.
- Milton, WI (MP 244.1) – Interchange with Wisconsin Southern allowing movement of WSOR and potentially CN and CP trains to/from GLBT.

Anchor Points Exclusive to Preferred Route Number 1:

- Rockford Branch Connection (MP 186.2) – Preferred location for the Rockford Branch connection.
 - MP 8.0 Rockford Branch - Gensler-Wofenberger Industrial Park.
 - MP 19.6 Rockford Branch – CN Freeport Subdivision connection.
- S Branch Kishwaukee River (MP 187.3) – Preferred location for the S Branch Kishwaukee River crossing southeast of Rockford, IL.
- Coon Creek (MP 201.9) – Preferred location for the Coon Creek crossing east of Belvidere, IL.
- Kishwaukee River (MP 203.3) – Preferred location for the Kishwaukee River crossing east of Belvidere, IL.
- Turtle Creek (MP 230.4) – Preferred location for the Turtle Creek crossing north of Clinton, WI.

Anchor Points Exclusive to Preferred Route Number 2:

- Rock River (MP 188.4) – Preferred location for Rock River crossing south of Rockford, IL.
- Winnebago, IL (MP 194.7) – Interchange with CN Freeport subdivision.
- Rock River (MP 223.4) – Preferred location for Rock River crossing north of Beloit, WI.

These anchor points define an arc around the Chicago Region which connect all rail lines with the GLBT including those not defined as “anchor points” in this response. The indicated anchor points that are junctions with other railroads have greenfield areas available for construction of the required connections and siding/storage tracks.

Below is a map of Preferred Route Number 2, showing the GLBT anchor points:



Please let us know whether you have any questions concerning the information supplied.

Very truly yours,

James T. Wilson
President and CEO

Cc: Frank Patton
Mike Blaszak
William Miller
Cassandra Wilson
Kathryn K. Floyd
Jay C. Johnson