

Comments regarding purchase of the Eastside rail line November 3, 2009

Exhibit "A"
Port Commission Regular
Meeting of Nov. 3, 2009

The Port of Seattle's purchase of BNSF's Eastside rail line is of vital importance to the economy of King County. During these difficult times, the impact of the purchase cost of the line needs to be minimized.

Sound Transit's report on the Eastside rail line to the Puget Sound Regional Council stated that a commuter rail service on the line would move up to 6,000 passengers a day, $\frac{3}{4}$ of the current ridership on Sounder's south line. This would be a major contribution to mobility for area residents.

During periods of bad weather, when rail service to the north of Seattle is blocked by landslides and service south is stopped by flooding, the Eastside rail line is the only route available to move double stack container trains and receive aircraft fuselages. Freight mobility is a necessity for the region's economy.

While talking with a Sound Transit board member about the need for an extension of the time period of Sound Transit 2's \$50 million contribution for east side rail service, the board member mentioned that he and another board member favored using the money to partner with the Port in the purchase of the BNSF Eastside corridor. In similar conversation, an acquaintance discovered that a third board member favored Sound Transit's outright purchase of the rail line.

To preserve the Eastside line's local freight potential and emergency through freight capability, I hope the Port will maintain at least partial ownership of the line. Currently, to help with the preservation of rail services, the Federal Railroad Administration offers extremely low interest loans. Locally, GNP Railway's loan application to rehabilitate the Eastside track has been given the status of "Complete". If the Port chooses to partner with Sound Transit with the purchase of BNSF's Eastside line, a Federal loan to cover the Port's portion of the cost would obligate a relatively small yearly payment.

Included is Sound Transit's summary of its report to the PSRC, a copy of the FRA's explanation of its rail loans and a copy of the loan application. I hope the Port of Seattle will take advantage of the help available for the purchase of BNSF's Eastside rail line.

Thank you,
Robert Scheuerman
3215 N 8th St.
Tacoma, WA 98406
Rochesch@aol.com

Burlington Northern Santa Fe (BNSF) Eastside Corridor Commuter Rail Feasibility Study

Background

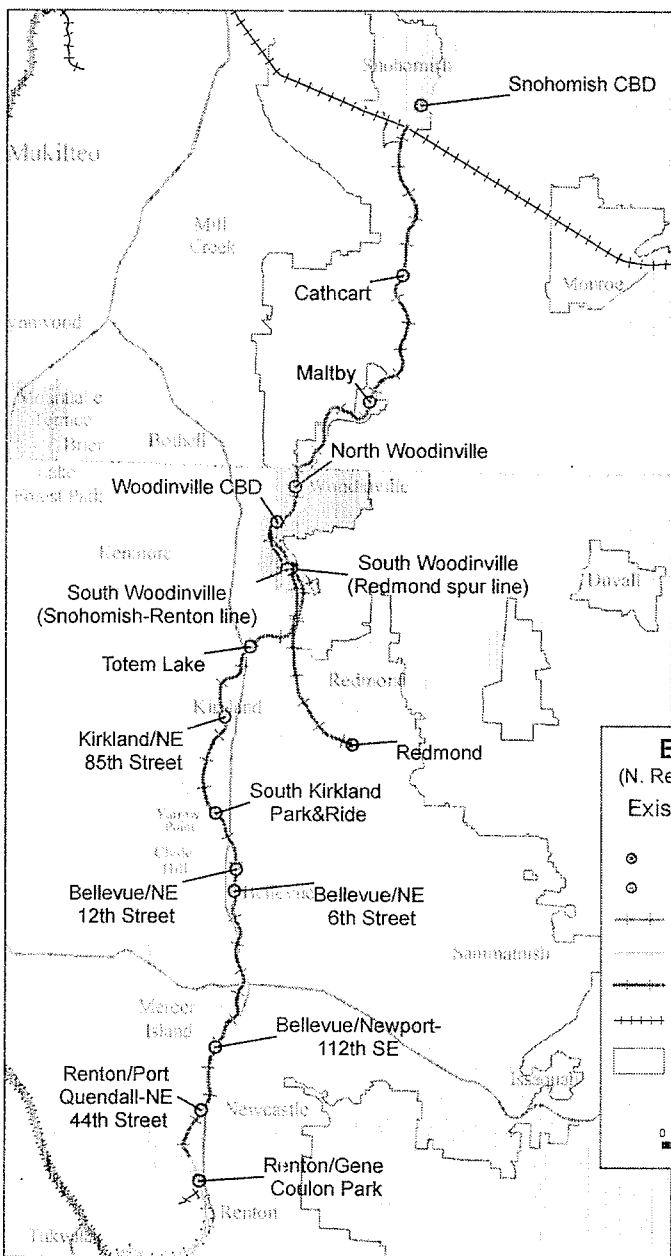
In 2008, the state legislature directed Sound Transit and the Puget Sound Regional Council (PSRC) to complete a feasibility study to “determine whether commuter rail service between eastern Snohomish County and eastern King County ... can be a meaningful component of the region’s future transportation system.” The study also developed a cost estimate for a parallel passenger rail and bicycle/pedestrian trail.

The BNSF Railway Company Eastside Corridor runs 34 miles from north Renton, through Bellevue and Woodinville, and on to Snohomish. The

corridor also includes a 7-mile spur from Woodinville to Redmond. It includes 24 bridge crossings, 97 curves and 107 at-grade crossings.

The Port of Seattle intends to purchase the corridor from BNSF in early 2009. King County then intends to acquire an easement along a portion of the corridor for a bicycle and pedestrian trail.

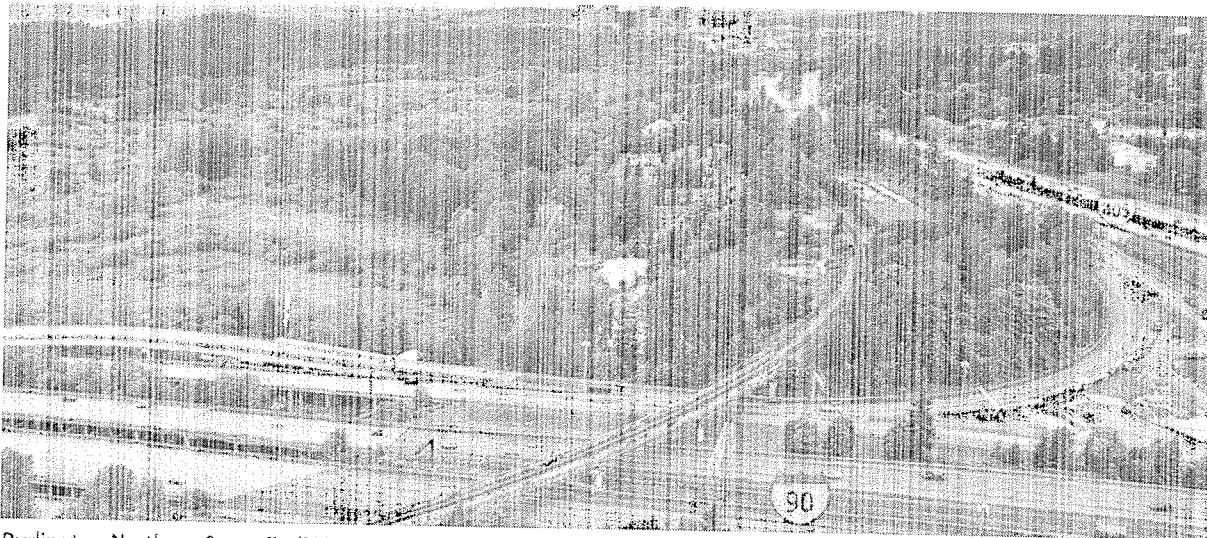
Potential future uses of the corridor, or certain segments, may include passenger rail, excursion trains, short haul freight service, and a regional trail.



Study findings:

- Operating passenger/commuter rail on the corridor is feasible but significant capital improvements are needed to achieve higher speeds and improve the safety of the track, structures, and roadway crossings.
- The corridor has the potential for significant transit ridership connecting the regional growth centers of Renton, Bellevue, Kirkland/Totem Lake and Redmond, with as many as 6,000 trips per day.
- The capital cost estimate for passenger rail is within the range for other lines in the US. However, the costs are at the high end of that range because of the condition of the corridor and its current lack of safety and communication systems.
- A pedestrian/bike trail could fit within the existing right-of-way throughout much of the corridor. In some locations, property acquisition would be needed.
- The estimated capital cost for a fully improved pedestrian/bike trail parallel to the rail line ranges from \$297 million to \$432 million, depending on the width of the trail.
- The capital cost of passenger rail on the entire corridor is estimated at between \$1.0 and \$1.3 billion.

Burlington Northern Santa Fe (BNSF)
Eastside Corridor



Burlington Northern Santa Fe (BNSF) Eastside Corridor crossing I-90 south of downtown Bellevue

Feasibility study assumptions

The feasibility study builds on previous studies of passenger or commuter rail on the corridor and used the following general assumptions:

- Upgrades were identified and costs were estimated at permanent passenger rail infrastructure standards including full replacement of the track, ties and rail bed (a demonstration project or project implemented by private entities could be accomplished differently with potentially lower costs)
- Either diesel locomotives with bi-level coaches (Sounder-type vehicles) or diesel multiple units (DMUs) could be used
- Complete signal/communication for train detection and control along with centralized train control were provided
- All public and private grade crossings were upgraded
- No new grade-separated crossings were included
- The condition of all 24 existing bridges was not evaluated
- One small yard and shops facility is needed
- The train speed, including stops, would average 24 mph
- Service would run two ways for 16 hours a day on weekdays. Trains would run every 30 minutes.

The study did not identify an optimal solution, preferred alternative, or the lowest cost or most cost-effective option. That information would be developed in the future by an agency or group proposing passenger rail on the corridor.

Capital Costs

The capital costs for passenger rail on the entire corridor are estimated at \$1.0 to \$1.3 billion (in 2008\$). The capital cost

estimates include broad assumptions for track and trackbed, rail bridges, signals/train control/crossings, stations and right-of-way; and soft costs such as administration, design and environmental review and construction management. The cost estimates include significant contingencies based on the conceptual level of analysis. It is possible that passenger rail could be implemented in a different manner with a possible lower cost, but the costs in this report were estimated using methods developed by Sound Transit for its Sound Transit 2 Plan and approved by an independent review panel.

Operating costs

Operating costs are estimated at \$24 to \$32 million per year based on two-way service on the corridor with trains operating every 30 minutes in each direction, 16 hours per day weekdays, along with track and vehicle maintenance costs.

Sound Transit 2

Sound Transit 2, the mass transit package approved by voters in November 2008, includes a \$50 million capital contribution to a potential passenger rail partnership. If a partnership is not in place by the end of 2011, the funds will be re-directed to HOV/bus rapid transit in the I-405 corridor. Sound Transit 2 does not include any additional funds for commuter or passenger rail on the Eastside BNSF corridor. For more information about the Sound Transit 2 Plan and requirements related to the \$50 million capital contribution, please refer to the Sound Transit Web site at: http://future.soundtransit.org/documents/ST2_Plan_web.pdf.



The feasibility study materials and reports are available on the PSRC Web site, at www.psrc.org/projects/bnsf/reports.htm

For questions and additional information regarding ST2 please refer to the Sound Transit Web site at: future.soundtransit.org/documents/ST2_Plan_web.pdf.

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Railroad Rehabilitation & Improvement Financing (RRIF) Program

The Railroad Rehabilitation & Improvement Financing (RRIF) Program provides direct federal loans and loan guarantees to finance development of railroad infrastructure.

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The RRIF program was established by the Transportation Equity Act for the 21st Century (TEA-21) and amended by the Safe Accountable, Flexible and Efficient Transportation Equity Act: a Legacy for Users (SAFETEA-LU). Under this program the FRA Administrator is authorized to provide direct loans and loan guarantees up to \$35.0 billion. Up to \$7.0 billion is reserved for projects benefiting freight railroads other than Class I carriers.

The funding may be used to:

- Acquire, improve, or rehabilitate intermodal or rail equipment or facilities, including track, components of track, bridges, yards, buildings and shops;
- Refinance outstanding debt incurred for the purposes listed above; and
- Develop or establish new intermodal or railroad facilities

Direct loans can fund up to 100% of a railroad project with repayment periods of up to 35 years and interest rates equal to the cost of borrowing to the government.

Eligible borrowers include railroads, state and local governments, government-sponsored authorities and corporations, joint ventures that include at least one railroad, and limited option freight shippers who intend to construct a new rail connection.

Loan agreements have been executed with the following railroads:

ORGANIZATION	YEAR	AMOUNT
Iowa Interstate Railroad	2008	\$31.0 million
Nashville and Eastern Railroad	2008	\$4.6 million
Columbia Basin Railroad	2008	\$3.6 million
Great Western Railway	2007	\$4.0 million
Virginia Railway Express	2007	\$72.5 million
R.J. Corman Railway	2007	\$59 million
Dakota, Minnesota & Eastern Railroad	2007	\$48 million
Iowa Northern Railroad	2006	\$25.5 million
Wheeling & Lake Erie Railway	2006	\$14 million
Iowa Interstate Railroad	2006	\$9.35 million
Great Smoky Mountains Railroad	2005	\$7.5 million
Riverport Railroad	2005	\$5.5 million
The Montreal, Marie & Atlantic Railway	2005	\$34 million
Tex-Mex Railroad	2005	\$50 million
Iowa Interstate Railroad	2005	\$32.7 million
Stillwater Central Railroad	2004	\$4.6 million
Wheeling & Lake Erie Railway	2004	\$25 million
Arkansas & Missouri Railroad	2003	\$11 million
Nashville and Western Railroad	2003	\$2.3 million
Dakota, Minnesota & Eastern Railroad	2003	\$233 million
Amtrak	2002	\$100 million
Mount Hood Railroad	2002	\$2.07 million

[APPLICATION INFORMATION](#) [TOP](#)

Timing

The Federal Railroad Administration (FRA) will approve or disapprove a request for a loan within 90 days after receipt of a complete application. Applications will be deemed complete after the following:

(1) The FRA has fulfilled its obligations under the National Environmental Policy Act (NEPA) and related laws, regulations and orders. In many cases, the FRA will need simply to approve a short environmental form submitted with the application. However, in some cases, compliance with NEPA may require preparation of detailed environmental assessments, consultation with Federal and State authorities, publication of documents, and public review and comment on these documents.

(2) The FRA has completed its initial review of the application (not to exceed 30 days) and, if additional information and/or clarification have been requested, the applicant has provided the requested information.

Note: Since a great variety of projects are eligible to be funded under the RRIF Program, it is impossible to anticipate all the information that will be necessary to evaluate a project for which funding is requested, or the level of detail that will be provided by an applicant. Therefore, a short period of time will be necessary to review applications and determine if there is a need for additional information.

- Fees

All federal financial assistance programs must pay for the cost to the government of providing that financial assistance. In most cases this is done with appropriations from Congress. Since the RRIF Program does not currently have an appropriation, this cost must be borne by the applicant, or another entity on behalf of the applicant, through the payment of the Credit Risk Premium. The Administrator will calculate the amount of the Credit Risk Premium that must be paid for each loan before it can be disbursed.

In addition to the Credit Risk Premium, which is paid only if a loan is approved, each applicant must pay an Investigation Fee regardless of whether the loan is approved. The Investigation Fee defrays costs the FRA incurs in evaluating RRIF loan applications. The Investigation Fee may not exceed one half of one percent of the requested loan amount, but it is often substantially less.

Preliminary Meeting Information

Application Form (MS Word)

QUICK LINKS TO DOCUMENTS [TOP](#)

RRIF Application Form (MS Word)

RRIF Statute (45 USC § 822)

RRIF Statute (45 USC § 823)

RRIF Regulations (49 CFR § 260)

FRA Categorical Exclusion Worksheet for compliance with environmental regulations.(MS Word)
(This form can also be accessed via a link from the online application form .) Also available is guidance on completing a Categorical Exclusion Worksheet.

FRA Environmental Regulations (PDF)
(This information can also be accessed via a link from the online application form.)

Summary of FRA's substantive criteria for reviewing RRIF loan applications

FRA press releases, including those related to RRIF

CONTACT INFORMATION [TOP](#)

If you have questions about the program, or if you wish to discuss the possibility of funding your project with a loan or a loan guarantee under the RRIF Program, you can contact the Office of Railroad Development.

Telephone: (202) 493-6340

Fax: (202) 493-6330

E-mail: [Innovative Finance Division](mailto:Innovative_Finance_Division@fra.dot.gov)

Applications and other correspondence may be sent to:

Federal Railroad Administration
Office of Railroad Development -- Innovative Finance Division
RDV-12, Room W36-320
1200 New Jersey Ave. S.E., Washington, DC 20590

PLEASE NOTE: LETTERS AND PACKAGES SENT TO FEDERAL BUILDINGS ARE SUBSTANTIALLY DELAYED BECAUSE OF SECURITY SCREENING. USE OF A PRIVATE CARRIER SUCH AS UPS, FEDEX, DHL, ETC. IS STRONGLY RECOMMENDED.

Staff List for FRA Innovative Finance Division

Passenger Rail - Financial Assistance

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Federal Railroad Administration, U.S. Department of Transportation, 1200 New Jersey Avenue, SE, Washington, DC 20590

FEDERAL RAILROAD ADMINISTRATION

Railroad Rehabilitation and Improvement Financing Program

Loan Application

Applicant:

Amount of loan request:

Date:

Please use this form as your Railroad Rehabilitation and Improvement Financing (RRIF) Program loan application. It will provide the Federal Railroad Administration (FRA) with the basic information necessary to begin processing your application. The information requested in this form is the same as that required in 49 CFR Part 260, the RRIF implementing regulation. The related section of the regulation is identified for each item.

IMPORTANT: The Federal Railroad Administration (FRA) will be approved or disapproved a request for a loan within 90 days after receipt of a complete application. Applications will be deemed complete after:

- 1) The FRA has fulfilled its obligations under the National Environmental Policy Act (NEPA) and related laws, regulations and orders.

Note: Compliance with NEPA may require preparation of detailed environmental assessments, consultation with Federal and State authorities, publication of documents, and public review and comment on these documents. In order to expedite the application review process, applicants may submit responses to item 20 below, in advance of filing an application.

- 2) The FRA has reviewed the application and, if additional information and/or clarification has been requested, the applicant has provided the requested information. This initial review of an application by FRA will not exceed 30 days.

Note: Since a great variety of projects are eligible to be funded under the RRIF Program, it is impossible to anticipate all the information that will be necessary to evaluate a project for which funding is requested, or the level of detail that will be provided by an applicant. Therefore, a short period of time will be necessary to review applications and determine if there is a need for additional information.

Railroad Rehabilitation and Improvement Financing Program Loan Application

1. Applicant Identification [260.23(a)]

Provide the full and correct name and principal business address of the Applicant in the spaces below:

Legal entity name:

Address 1:

Address 2:

City:

State: _____ Zip:

2. Incorporation Status [260.23(b)]

Provide information on the nature of the applicant's organizational structure in the spaces below.

Date of incorporation:

Place of incorporation:

Provide a list of Applicant's owners with the percentage of ownership of each (disregard if the Applicant's stock is publicly traded), as Attachment 2a.

Provide a list of affiliated companies, including subsidiaries, parent, companies sharing common ownership, or other related companies, describing the nature of the relationship, as Attachment 2b.

If the Applicant is not a corporation, provide a brief description either:

As Attachment 2c - Description of Organization, or

Below

Railroad Rehabilitation and Improvement Financing Program Loan Application

3. Contact Information [260.23(c)]

Provide contact information in the spaces below of the person with whom FRA may communicate regarding the application.

Name:

Title:

Address 1:

Address 2:

City:

State: _____ Zip:

Phone:

FAX:

Email:

4. Other Participant(s) in Loan Application (if any) [260.23(d)]

Does the project involves another railroad or other participant, through joint execution, coordination, or otherwise?

No other participants

Yes

If yes, please describe the relationship between the Applicant and such other railroad or participant in the project, including financial statements (if applicable) and financing arrangements, portion of the work to be performed by each participant, and anticipated level of usage of the equipment or facility of each participant when the work is completed.

Other participant description is provided:

As Attachment 4 - Description of Other Participants, or

Below

Railroad Rehabilitation and Improvement Financing Program Loan Application

5. Executive Summary

Provide a separate executive summary of the application, outlining the project and the recent traffic volumes moved and gross and net revenues, as Attachment 5 – Executive Summary.

6. Project Description [260.23(e)(1)]

Provide, as Attachment 6a - Project Description,

- a detailed description of the amount and timing of the requested financial assistance,
- the purpose or purposes of the requested financial assistance,
- itemized summaries, by location, of each work activity, the material quantities for each, and the corresponding cost estimates for labor and material (shown separately), and
- unit costs and assumptions used as a basis for the cost estimates.

Presenting information in a table format is desirable, but any well-organized and easily readable format is acceptable, provided the necessary information is included.

Track work for sidings and yards should be shown on separate lines from that done on main tracks, and subtotals provided when useful: as for main, sidings, yard - or for totaling work shown on individual tracks in a yard or in separate spans of a bridge. For rail replacement, weight of existing rail in the segment should be shown, and with that table, assumption for salvage value or explanation of other disposition (as: relay in another location).

For projects that include major rehabilitation, upgrade, relocation, or construction of any infrastructure, provide drawings and/or illustrations adequate to permit an independent review of cost estimates as Attachment 6b – Drawings/Photographs. This would include work such as rehabilitation or construction of buildings, bridges, yards and terminal facilities; power, water, fueling, environmental mitigation, and signal systems; major earthwork or drainage work; and roadbed stabilization. Photographs of the site or existing structures are often helpful as well. Also, provide documentation of how the cost estimate was developed (e.g., applicant's experience, estimates by qualified engineers, proposals by firms to undertake the work, etc..)

Railroad Rehabilitation and Improvement Financing Program Loan Application

Also, using the space below check all that apply and enter approximate cost and loan request.

<u>Project Elements</u>	<u>Total Cost</u>	<u>Loan Request</u>
<input type="checkbox"/> Line or company acquisition	\$ _____	\$
<input type="checkbox"/> Line rehabilitation or upgrade	\$ _____	\$
<input type="checkbox"/> Bridge rehabilitation or upgrade	\$ _____	\$
<input type="checkbox"/> Rail Equipment acquisition		
<input type="checkbox"/> Locomotive	\$ _____	\$
<input type="checkbox"/> Rail cars	\$ _____	\$
<input type="checkbox"/> Other	\$ _____	\$
<input type="checkbox"/> Equipment rehabilitation	\$ _____	\$
<input type="checkbox"/> Other facility acquisition or upgrade		
<input type="checkbox"/> MOE shop	\$ _____	\$
<input type="checkbox"/> Storage	\$ _____	\$
<input type="checkbox"/> Office	\$ _____	\$
<input type="checkbox"/> Other:	\$ _____	\$
<input type="checkbox"/> Refinancing (see below)	\$ _____	\$
<input type="checkbox"/> Other: Please describe:		
 Total	 \$ _____	 \$

For each existing debt that you wish to refinance provide, as Attachment 6c - Refinancing:

- copy of the documentation for the original loan
- original loan date
- original lender
- original loan amount
- original purpose, and
- remaining balance

Railroad Rehabilitation and Improvement Financing Program Loan Application

7. Project Purpose [260.23(e)(1)]

Describe the project purpose:

- Using Attachment 7 - Project Purpose, or
- Using the summary outline below.

Please check each category that applies and provide a brief narrative description of the applicant's views on how the proposed project aligns with these areas of interest.

- Enhance public safety
- Promote economic development
- Enhance international competitiveness of U.S. companies
- Preserve or enhance rail service to small communities or rural areas
- Increase rail traffic
- Reduce operating costs
- Permit use of higher load rail cars
- Other (describe below)

8. Description of Affected Facilities and Equipment [260.23(e)(2)]

Provide a description of facilities and equipment affected directly or indirectly by this project and their current physical condition:

- As Attachment 7 - Description of Affected Facilities or Equipment, or
- Below

Railroad Rehabilitation and Improvement Financing Program Loan Application

9. Project Components and Schedule for Completion [260.23(e)(3)]

Describe each component into which the project may reasonably be divided.

- Not applicable; project is not subdivided into components
- As Attachment 9 - Project Components, or
- In the table below

Project Component	Cost (\$000)

Railroad Rehabilitation and Improvement Financing Program Loan Application

10. Project Timing [260.23(e)(4)]

Provide commencement and completion dates and estimated timing of the expenditure of the proceeds of the financial assistance being requested for the overall project and by project component

Project Planned Commencement Date:

Project Planned Completion Date:

Expenditure Schedule is provided:

As Attachment 10 - Expenditure Schedule, or

In table below

Project Component	Expenditure Amount (\$000)	Beginning/Ending Dates

Railroad Rehabilitation and Improvement Financing Program Loan Application

11. Railroad and Project Map [260.23(e)(5)]

Provide a map of the existing railroad (even if the project is not line-related) with location of project indicated, if appropriate.

A railroad map is provided:

- As Attachment 11 - Railroad and Project Map, or
- Below

12. Collateral Description [260.23(f)]

List and describe the collateral offered to secure the financial assistance sought and provide its liquidation value. Include the assets to be acquired, rehabilitated, or improved with the proceeds of the loan requested.

If a general mortgage on the entire business is being offered, provide the going concern value of the business.

Collateral description is provided:

- As Attachment 12 - Collateral Description, or
- Below

Collateral Description	Net Liquidation Value (\$000)	Basis of Valuation*

*Indicate "Basis of Valuation" as follows:

- A = Independent Appraisal
- B = Applicant's Estimate
- C = Current Replacement Cost
- D = Other (Describe Here: _____)

Railroad Rehabilitation and Improvement Financing Program Loan Application

13. Financial Claims Involving the U.S. Government [260.23(g)(1)]

Describe any claims against the Applicant, or any affiliated corporate entity, by the U.S. Government (example, fines, tax claims, etc.), and any claims by the Applicant against the U.S. Government.

None

Claims involving the U.S. Government are listed:

As Attachment 13 -Claims Involving the U.S. Government, or

Below

14. Debits and Credits with the U.S. Government [260.23(g)(2)]

Describe all outstanding debits (e.g., loans) or credits with the U.S. government (routine accounts receivable need not be listed)

None

Described in Attachment 14 - Debits and Credits Involving the U.S. Government, or

Below

Railroad Rehabilitation and Improvement Financing Program Loan Application

15. Market Analysis [260.23(h)(1)]

To the extent such information is available, provide all market analyses and studies that have been performed to determine

- present and future demand for the rail services or facilities involved in the project,
- whether the financing is justified by present and future probable demand for rail services or facilities,
- whether the project will meet existing needs for such services or facilities, and
- whether the project will provide shippers or passengers with improved service.

No supporting market analyses available

Analyses provided as Attachment 15 - Market Analyses, or

Below

16. Traffic [260.23(h)(2)]

Provide historic levels of traffic moved by Applicant for the past five years, by commodity. If the Applicant has not owned the property for the five years, please provide traffic levels of prior owner. Also, provide a discussion and appropriate analysis that demonstrates the projected level of traffic can be accommodated on the applicant's system as proposed, including connections to other carriers.

Provided as Attachment 16a - Traffic, or

In table below

Commodity	Current	Current Year Minus 1	Current Year Minus 2	Current Year Minus 3	Current Year Minus 4
Item 1					
Originated					
Terminated					
Overhead					
Local					
Item 2					
Originated					
Terminated					
Overhead					
Local					

Railroad Rehabilitation and Improvement Financing Program Loan Application

Describe the impact of the project upon the projected freight or passenger traffic to be originated, terminated, or carried by the Applicant for the next five years, including assumptions and justifications for projected changes.

Data and information regarding the traffic impact:

Provided as Attachment 16b - Traffic Impact, or

In table below

Commodity	Current	Current Year Plus 1	Current Year Plus 2	Current Year Plus 3	Current Year Plus 4
Item 1					
Originated					
Terminated					
Overhead					
Local					
Item 2					
Originated					
Terminated					
Overhead					
Local					

Please explain the bases for the above projections, including a list of assumptions made and description of the data used in establishing those assumptions.

17. Cost Savings and Other Benefits [260.23(h)(4)]

Describe the cost savings or any other benefit to the applicant that would accrue from the project.

Provided as Attachment 17 - Cost Savings and Other Benefits, or

Below

Railroad Rehabilitation and Improvement Financing Program Loan Application

18. Safety Improvements [260.23(i)]

Provide a statement as to how the project will contribute to, or enhance, the safe operation of the railroad (consider effects on employees, passengers, and facilities).

Provided as Attachment 18 - Safety Improvements, or

Below

Provide a list of violations of FRA safety standards cited by FRA or State inspectors over the preceding 5 years and how these violations have been addressed.

19. Description of Applicant's Maintenance Program [260.23(j)]

Describe the your maintenance program for your entire rail system and planned maintenance program for the equipment or facilities financed by the proceeds of the financial assistance

Provided as Attachment 19 - Maintenance Program, or

Below

Railroad Rehabilitation and Improvement Financing Program Loan Application

20. Environmental Impacts [260.23(l)]

Provide information relevant to the potential environmental impacts of the project in the context of applicable Federal laws:

- If you believe your project has no potential for environmental impact and that it should be categorically excluded from detailed environmental review (please refer to section 4(c) of FRA's Procedures for Considering Environmental Impacts [accessible from the RRIF home page on FRA's web site] for additional information), the applicant should submit a completed FRA Categorical Exclusion Worksheet as Attachment 20 – Environmental Worksheet.
- If you believe your project may have potential environmental impacts or for a project that does not fit into of the existing categories of excluded actions (please refer to section 4(c) of FRA's Procedures for Considering Environmental Impacts [accessible from the RRIF home page on FRA's web site] for additional information), you will need to consult with the FRA environmental analysis staff to determine whether an Environmental Assessment or an Environmental Impact Statement may be required for the proposed project.

If you believe your project may have potentially significant environmental impacts, the applicant should consult with FRA's environmental analysis staff before submitting any assessment of environmental impacts because of special requirements that apply to the preparation of environmental impact statements.

Note: an application is not complete until FRA has concluded that the proposed project meets FRA's obligations under NEPA and related laws, regulations and orders.

21. Financial Statements [260.25(b)(1)]

Provide, as Attachment 21 – Financial Statements, Balance Sheets and Income Statements (audited if available, otherwise compiled or reviewed by an independent Certified Public Accountant) for the past 4 full years of operation (or all that is available if applicant has not been in operation for that period) and the current partial year up to the date of this application. Also provide a statement of capital expenditures undertaken each year during that period.

Railroad Rehabilitation and Improvement Financing Program Loan Application

22. Financial Projections [260.25(b)(2)]

Provide, as Attachment 22 – Financial Projections, Balance Sheets, Income Statements and Cash Flow Statements projected for each of the next 5 years, after giving effect to the savings to be generated by the project to be funded with proceeds of the funding requested in this application. Also include a statement of yearly planned capital expenditures for the next 5 years.

23. Credit Rating [260.23(n)]

Applicant has a credit rating from a nationally recognized rating agency

Agency:

Rating:

Date:

Please attached as Attachment 23 – Credit Rating

Applicant does not have a credit rating

Note: If you have a credit rating, skip items 24 and 25. If you do not have a credit rating, please continue to complete the remaining items.

24. Business Plan [260.25(a)]

Provide a statement describing your current and prospective traffic base, by commodity, major markets served and major interchange points and market development plans, if any. Please include a discussion of your operating patterns and planned changes, planned maintain of equipment and rights-of-way both before and after the project, and any plans to rationalize marginal or uneconomic service.

Also describe any anticipated changes in traffic volume (both total and by commodity), revenue per carload, shippers or the competitive environment in which Applicant operates.

Provided:

As Attachment 24 - Business Plan, or

Below

Railroad Rehabilitation and Improvement Financing Program Loan Application

25. Management Team [260.25(f)]

Provide a description of your management team, including the rail experience of the top managers, management's plans for growth, and the your workforce.

Provided:

- As Attachment 25 - Management Team, or
- Below

Thank you for completing the RRIF Loan Application. Please be aware that after reviewing your application, the Administrator may require that you submit additional information necessary to complete the application [260.23(n)]. An analyst will contact you.

Date: _____

Submitted by:

Title:

Please submit the original application with four paper copies and a CD with the electronic version of the Application and supporting documents and attachments. Your completed application package should be sent by overnight delivery to:

RRIF Application
Federal Railroad Administration
Office of Innovative Finance (RDV-12)
Mailstop 20
1200 New Jersey Ave., S.E.
Washington, D.C. 20590