

# TIGER Discretionary Grant Application



## Alabama Black Belt Infrastructure and Development Project

Submitted to the U.S. Department of Transportation  
by the Alabama Department of Transportation  
in Partnership with the Meridian & Bigbee Railroad



September 15, 2009

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# Alabama Black Belt Infrastructure and Development Project



**PROJECT OVERVIEW:** This application is for a rail transportation infrastructure investment through west central Alabama, an area know as the Black Belt, to help this Economically Distressed Area (EDA) address severe and chronic unemployment and poverty. Specifically, the project would replace the main line rail on the Meridian & Bigbee Railroad (M&B) in Alabama to create significant economic development opportunities in the Black Belt region.

The project will create 93 direct jobs, and create or preserve 254 indirect and 108 induced jobs during construction. Within 3 years of project completion, 715 direct jobs will be created and another 689 indirect and 488 induced jobs will be created or preserved. This project will directly facilitate a second phase of work on M&B to allow the railroad to handle 286,000-pound (286k) rail shipments, the current industry standard, providing a modern rail freight corridor through the heart of the Black Belt. Over a 20-year period, achieving 286k will provide even more significant job opportunities. All of the project economic impacts and significant public benefits are summarized on the following page. Finally, the project will contribute to the economic competitiveness of the United States by improving assets of long-term strategic importance to the movement of goods between the Southeast and the Southwest, West, and Mexico.

**APPLICANT:** Alabama Department of Transportation (DUNS NO: 837892371)

**SUB-GRANTEE:** Meridian and Bigbee Railroad, L.L.C. (DUNS NO: 831811158),  
a wholly-owned subsidiary of Genesee & Wyoming Inc.

**PROJECT SIZE AND GRANT REQUESTED:** The total project cost is \$79.7 million of which \$14.5 million has been funded by the M&B. On behalf of the M&B, ALDOT requests a \$65.3 million TIGER grant to fund the balance of the project.

**LOCATION:** M&B operations extend from Montgomery, Alabama to Meridian, Mississippi. The proposed improvement project will extend from Burkville, AL (approximately 20 miles west of Montgomery) to the Alabama – Mississippi state line, a distance of 125 miles. The project traverses all or parts of Lowndes, Dallas, Marengo, Choctaw, and Wilcox Counties, a highly rural area. The project falls predominately in the 7<sup>th</sup> Congressional District (Cong. Artur Davis), except for the far eastern part of the line in Lowndes County which is in the 2<sup>nd</sup> Congressional District (Cong. Bobby Bright).

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**PROJECT BENEFITS**

<b>M&amp;B Rail Project – Summary of 20-Year Benefits<sup>1</sup></b>		
	Rail Replacement	Rail Replacement and Subsequent Work to Achieve 286k
<b>Industrial Jobs</b>		
Direct	715	4,506
Indirect	689	3,396
Induced	488	2,973
<b>Transportation Jobs</b>		
Direct	78	123
Indirect	70	126
Induced	60	108
Truck VMT Avoided, 20-year total (millions)	2,248.6	5,622.7
	(millions of \$; NPV, discounted at 7%)	
Net Fuel Savings (millions)	\$671.2	\$1,484.2
GHG Savings, 20-year total (millions)	\$60.5	\$107.5
Highway Maintenance and Congestion Savings (millions)	\$232.0	\$547.6
Avoided Costs from Highway Crashes (millions)	\$13.6	\$31.9

<sup>1</sup> The methodology for the benefits calculations is attached as Appendix 1.

## **PROJECT PARTNERS**

The Alabama Department of Transportation (ALDOT) is the government agency responsible for transportation infrastructure in the State of Alabama. ALDOT is organized into nine geographic regions, with a central office in Montgomery. The Department has approximately 4,750 employees and manages an annual budget of \$1 billion.

Meridian & Bigbee Railroad (M&B) is a Class III 165-mile short line<sup>2</sup> extending from Meridian, Mississippi to Montgomery, Alabama. M&B operates and maintains 148 miles of trackage between Meridian and Burkville, Lowndes County, Alabama, and has trackage rights to operate over CSXT Transportation (CSXT) from Burkville to Montgomery. M&B employs 44 workers, owns approximately 200 railcars, and operates 10 locomotives. In 2008, the railroad handled approximately 19,000 carloads and 2.98 million tons of cargo, including paper, lumber, minerals, coal and ore, metals petroleum products and other chemicals. M&B directly serves 20 customers who are responsible for 2,650 industrial jobs. On June 1, 2005 M&B was acquired and became a wholly-owned subsidiary of Genesee & Wyoming Inc. (GWI).

GWI owns and operates short line and regional freight railroads in the United States, Canada, Australia and the Netherlands and owns a minority interest in a railroad in Bolivia. Operations currently include 63 railroads organized in nine regions, with more than 6,800 miles of owned and leased track and approximately 3,000 additional miles under track access arrangements. GWI provides rail service at 16 ports in North America and Europe and performs contract coal loading and railcar switching for industrial customers.

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<sup>2</sup> Class III railroads are defined by the Surface Transportation Board as railroads with annual carrier operating revenues of \$40 million or less, and all switching and terminal companies regardless of the level of operating revenues.

## PROJECT PURPOSE AND NEED

The Black Belt of Alabama consists of twelve counties in the central part of the State, generally extending from Montgomery to the Mississippi state line. The region derives its name from the dark, rich, and fertile soil overlaying an impervious subsoil base chalk that dates back to prehistoric times. This soil focused the economy of the Black Belt on agriculture over the last two hundred years. While the crops raised in the region have evolved over the years, shifting from cotton to a more diverse base of commodities, the dominance of agriculture in the Black Belt continues today.

In part because of its historic dependence on agriculture, the Black Belt lags the rest of Alabama, and indeed the entire South, in economic development. As noted by the University of Alabama Department of Community Affairs,

"Major characteristics of the Black Belt counties include:

- Primary industry remains agriculture with little industrial or commercial development
- Proportionally large African American population
- High unemployment rate
- Low rates of educational attainment
- Isolated from major transportation infrastructure"<sup>3</sup>

The poverty of the Black Belt is indeed significant. According to preliminary July 2009 information provided by the Alabama Department of Industrial Relations, Black Belt counties are among the highest in unemployment, with rates ranging from 11.6% to 24.9%. The three counties with the highest unemployment rates in Alabama are in the Black Belt: Wilcox (24.9%), Dallas (21.1%), and Perry (20.0%). As noted by Governor Bob Riley in 2004, "...these counties currently suffer from severe economic stagnation due to a lack of infrastructure and economic opportunities ... eight Black Belt counties are among the 100 poorest counties in the United States, and poverty rates in the Black Belt, generally, rank all twelve of these Black Belt counties in the poorest 13 percent of counties nationally..."<sup>4</sup>

A primary reason for the continued significant poverty and unemployment in the Black Belt has been the lack of industrial and economic development in the region. According to the Alabama Development Office (ADO), a renaissance of economic development in the state started with the announcement of the Mercedes Benz automobile assembly plant in Tuscaloosa in 1993. However, since that time very little of the state-wide development has taken place in the Black Belt. The recent ADO list of "Major New Industry Announcements in Alabama, 1999 – 2008"<sup>5</sup> includes 36 announcements of facilities being constructed in Alabama (and one "temporary delayed"). Of those 36 new major facilities either constructed or advancing to construction since 1999, none located in the Black Belt.

Why has this significant growth in economic activity avoided the Black Belt? A major reason, according to the University of Alabama Department of Community Affairs is "isolation from

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<sup>3</sup> Per University of Alabama Community Affairs web site, August 30, 2009.

<sup>4</sup> Statement by Governor Bob Riley, August 14, 2004.

<sup>5</sup> List provided by the Alabama Development Office, August 12, 2009.

major transportation infrastructure."<sup>6</sup> It is important to note that of the 36 major new industrial sites located in Alabama since 1999 referenced above, 22 are the types of industry requiring access to rail freight services.

The deficiencies of the transportation infrastructure in the Black Belt extend to the M&B, a 148-mile long Class III short line connecting Montgomery, Alabama to Meridian, Mississippi. Despite its potential to support economic development in the Black Belt, M&B is limited due to old, inadequate rail on 125 miles of its main line through Alabama. This rail limits train speed and reliability, and cannot support the current industry-standard 286k rail car shipments. For this reason, industries requiring rail freight services often do not consider sites served by the M&B. It is also a reason why the M&B is not used as a route in the national rail network to connect the Southeastern United States to the U.S. Southwest and Mexico.

M&B runs through the heart of the Black Belt, serving five Alabama counties: Lowndes, Dallas, Wilcox, Marengo, and Choctaw. The railroad dates back to 1917 with its original line between Myrtlewood, Alabama and Meridian, Mississippi. During its early history, it served the cotton industry in the Black Belt. Now, it is heavily focused on serving the timber and forest products industry in the Black Belt.



Black Belt Counties (*shaded*), and M&B Main Line

In 2003, operations on the railroad made a significant expansion from Myrtlewood to Montgomery, Alabama. This extension provides the communities and customers served by the M&B in the Black Belt with competitive, unbiased access to three major Class I railroads: CSX Transportation (CSXT), Kansas City Southern Railway (KCS), and Norfolk Southern (NS). Access to these carriers makes the M&B a strategic asset of regional and national significance. The CSXT – M&B – KCS rail route between Atlanta and Dallas is approximately 156 miles

<sup>6</sup> Per University of Alabama Community Affairs web site, August 30, 2009.

shorter than the current routing of CSXT – KCS traffic through the congested New Orleans gateway.

Importance of this east – west network connectivity of the M&B main line between Montgomery and Meridian was demonstrated following Hurricane Katrina in August of 2005. This hurricane caused tremendous loss of life and property damage along the gulf coast of Alabama, Mississippi, and Louisiana. Included in the destruction caused by this hurricane was the CSXT Gulf Coast main line, as summarized by CSXT itself: "The most severe storm impact is concentrated on the 100-mile CSX route between Pascagoula, Miss., and New Orleans, including several bridges."<sup>7</sup> Following the hurricane, CSXT began rerouting traffic normally interchanged with KCS via New Orleans over the M&B. This traffic averaged almost 2,700 carloads per month, and continued until September 2007, well after the January 18, 2006 re-opening of the CSX Gulf Coast main line. The CSXT – KCS traffic was eventually re-routed back to the Gulf Coast route through New Orleans, due in large part to the lack of an upgraded M&B main line.

The M&B main line is the next most northern east – west rail main line after the CSXT Gulf Coast line, but the M&B route is far enough inland from the Gulf that it is largely spared the risk of physical damage and service interruptions routinely caused by hurricanes coming ashore in Alabama, Mississippi or Louisiana. As demonstrated by Hurricane Katrina, this damage potential can be significant to rail lines south of M&B. According to CSXT, "Over the past five months, the company has been working to restore six major bridges, more than 40 miles of track, and its major rail yard in New Orleans. The largest engineering challenge was the nearly two-mile bridge at Bay St. Louis, Miss."<sup>8</sup>

M&B already directly supports 2,650 industrial sector jobs in the Black Belt, providing necessary rail services to 13 rail customers in Alabama and 7 in Mississippi. The largest two customers are both located in Alabama: Georgia Pacific in Naheola, Choctaw County, and International Paper in Selma, Dallas County. These two companies employ a combined 1,850 workers. There are five sites served by the M&B in the Black Belt identified by the ADO website as ready and available for new industrial development, totaling 1,720 acres. Included is the "South Dallas Goodwin" site, with a total of 305 acres located east of Selma in Dallas County. This site is one of only nine premier "Alabama AdvantageSite" sites available across the entire State for industrial development.

Replacement of the M&B main line rail in Alabama is greatly beyond the financial capabilities of this railroad, and the State of Alabama has no funding mechanism to help with this type of project. Since acquisition by its current owner in 2005, over 46% of the freight revenues generated by this railroad have been reinvested back into maintaining and improving track and structures. The cost of replacing the M&B Alabama main line rail, at \$65.3 million, cannot be made on the current economics of the railroad. Replacement of this rail is the basis for this TIGER grant application.

If awarded a TIGER grant, this project will create two major groups of public benefits for improving the overall economic situation of the Black Belt:

- First and foremost, the project will create much needed employment in the Black Belt. This project will create 93 construction jobs directly associated with its construction, beginning immediately on execution of the grant agreement, and create or preserve

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<sup>7</sup> CSX Transportation Press Release, September 1, 2005

<sup>8</sup> CSX Transportation Press Release, January 18, 2006



another 254 indirect and 108 induced jobs. Within 4 years of the start of the project, 715 direct jobs will be created and another 689 indirect and 488 induced jobs will be created or preserved. Within 5 years of completion of this project, additional improvements to the M&B main line in Alabama will allow the M&B to handle 286k shipments. Completion of both phases of the M&B upgrade will create a total of 4,506 new direct jobs and create or preserve 3,396 indirect and 2,973 induced jobs over 20 years. Both this TIGER project and subsequent improvements will be catalysts for significant future job growth in the Black Belt.

- The project is of national and regional significance. By making the M&B line through the Black Belt into part of the modern rail corridor between the Southeast and Southwest and Mexico, this more direct route will not only reduce transit times and environmental impacts for trans-regional traffic, but also directly facilitate the development of intermodal facilities and traffic in the Black Belt itself. According to one regional development expert, "This is why the M&B rail TIGER rail project is so important to us ... we can move forward with efforts to make Selma a truly multi-modal center. There are two locations southeast of Selma on the M&B that are "shovel ready" to construct an intermodal terminal. This terminal would directly compliment the significant sites available in and around the Craig Field Airport and Industrial Complex currently available for distribution centers, build off of the highway projects, and airport improvements already underway in our region."<sup>9</sup>

This project is "shovel ready". Its pre-construction engineering work is complete, and its application for a Categorical Exclusion from the National Environmental Policy Act (NEPA) is ready for review and approval. M&B management is committed to completing the project in less than 15 months after execution of the grant agreement. At the same time, and perhaps unlike some other TIGER grant requests, this project is "scalable" and can be tackled in steps if necessary. However, the overwhelming need for transportation infrastructure investments in the Black Belt, and the solid public benefits this project can provide, strongly support full funding of this request.

The project has broad and diverse support from federal, state and local elected officials, the Black Belt Action Committee, the Alabama Department of Economic and Community Affairs, economic development officials, and the M&B Brotherhood of Maintenance of Way Employees Union.<sup>10</sup>

Through a partnership with the U.S. Department of Transportation (USDOT), ALDOT believes this project that will produce the kinds of local, regional, and national impacts and public benefits envisioned by the American Recovery and Reinvestment Act. This project is in keeping with the commitment of ALDOT and the State of Alabama to improve the transportation infrastructure in the Black Belt to help mobility and economic development in this very distressed region.

## **PROJECT DESCRIPTION**

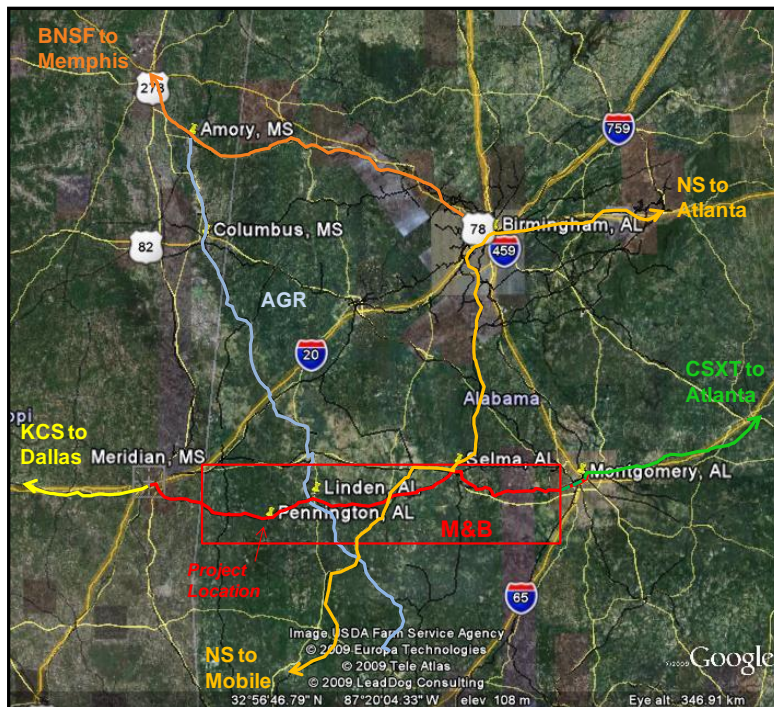
The Alabama Black Belt Infrastructure and Development Project will replace the main line rail on the M&B from the western Alabama border to Burkville, Lowndes County, Alabama, a

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<sup>9</sup> M. Wayne Vardaman, Selma & Dallas County Economic Development Authority, September 1, 2009.

<sup>10</sup> The letters of support are attached as Appendix 2.

distance of 125 miles, including replacement of all 39 main line turnouts and two at-grade crossings with other rail lines. Rail is sized by its weight per 3 foot section; 90-pound rail means the rail weighs 90 pounds per yard. Rail weight and durability are generally correlated. Modern rail ranges in weight from 115 to 140 pounds per yard. The current 90 and 100-pound rail on the M&B main line is old, inferior and made prior to controlled cooling technology. This results in many internal defects in the rail that increases the possibility of rail failures and requires frequent inspections. The new rail will be a minimum of 115-pound rail and made to modern, control-cooled standards. It will be installed as continuous welded rail, eliminating the joints to improve the durability and reduce maintenance requirements.



The location of the project is highlighted in red.

As the new rail is installed, the track structure will be re-aligned with the necessary cross ties and ballast to ensure proper track geometry to support higher track speeds. Current speed limit on the line is a maximum of 25 MPH; following installation of the rail much of the line will be increased to 40 MPH. Specifically, currently the main line has 9.1 miles at 10 MPH, 10 miles at 15 MPH, 2.9 miles at 20 MPH, and 103 miles at 25 MPH. Following completion of this project, the main line will have 7 miles at 10 MPH (due to curve and bridge restrictions) and 117 miles at 40 MPH.

Finally, M&B will use the grant to repair or rebuild all 126 public and private grade crossings on the main line. A collaborative effort between ALDOT, local and county officials, and M&B will indentify the most-needed grade crossings for rebuilding. Depending on vehicle traffic levels at the specific crossings, the rebuilt crossings will be constructed with pre-fabricated concrete panels, timber road crossing panels, or rubber road crossing surfaces.

The new rail contained in this project is the most significant investment required to allow M&B to handle 286k rail shipments, the standard of the U.S. rail network. The current M&B weight limit is 263,000-pounds per railcar. Reaching the 286k limit will require a second and final phase of improving the M&B main line involving bridge rehabilitations and rebuilding, at an estimated cost of \$20 million. M&B management firmly believes that approval of this TIGER

grant request and replacement of the main line rail will significantly improve the ability of the railroad to secure additional private and public funds to undertake and complete the necessary bridge work within five years of installation of the new main line rail. Increasing the M&B main line to 286k weight limit will allow a second and extremely significant level of new public benefits to Black Belt.

## GRANT FUNDS AND SOURCES AND USES OF PROJECT FUNDS

The net cost of the M&B rail replacement project is \$79.7 million, including \$14.5 million in previous upgrades made solely by the M&B and a \$2.7 million offset for the value of the salvaged rail. ALDOT requests a grant of \$65.3 million to fund the balance of the project. The funds will be used to replace rail (\$53,893,500), surface (re-align) the new rail (\$2,489,325), improve grade crossings (\$3,194,400) and for engineering and project management (\$5,682,178). The breakdown of material and labor costs is summarized below. A detailed spreadsheet of the project costs is attached as Appendix 3.

Design/Eng. Costs	Construction Costs		M&B Contributions	Total Project Cost	Grant Request
	Labor	Materials			
\$5,682,178	\$3,259,200	\$56,318,025	\$14,489,554	\$79,748,957	\$65,259,403

### A. LONG TERM OUTCOMES

**NOTE:** All benefit dollar totals referenced in the following two sections ("Long-Term Outcomes" and "Job Creation and Economic Stimulus") are Net Present Values over a twenty year period after construction of the project, using the USDOT recommended 7% interest rate. These values will be preceded by "NPV".

#### State of Good Repair

The Alabama Black Belt Infrastructure and Development Project fully supports the goals of the ALDOT 2008 Rail Plan<sup>11</sup>. This plan evaluated rail carriers and shippers, communities and other elements comprising the rail transportation network so that each element can perform its proper role in an efficient and equitable manner. The 2008 plan adopted a series of goals, including:

- Maintain a viable rail freight and passenger transportation system that is essential to the economic viability and continued prosperity of all the regions of Alabama;
- Recognize the importance of the rail mode to the economic development of Alabama, including the development of its energy resources, in the transportation process; and
- Promote the viability of the private railroad mode via the analysis and possible modification of certain system components.

<sup>11</sup> Alabama Department of Transportation, Bureau of Multimodal Transportation, Alabama Rail Plan 2008, page 1.2

The report also recognized the need for public financial assistance to help Class II and Class III railroads upgrade their track structures to carry 286,000-pound railcars, noting that "... the tracks and bridges of much of the nation's short-line system are inadequate to handle the newer 286,000-pound and 315,000-pound railcars now coming on line. It has been estimated that the cost of upgrading the nation's short-line system to handle 286,000-pound railcars will be \$6.9 billion. In recent years, these needs have been largely addressed by public investment. Making these investments and realizing their benefits will require a new partnership among the railroads, the states, and the federal government."<sup>12</sup>

The Alabama Black Belt Infrastructure and Development Project serves each of these objectives, most importantly the objective for economic development. As discussed throughout this application, the improvement of the M&B will provide a tremendous catalyst to economic development in the Black Belt by attracting new industries to locate on the railroad.

The M&B substandard main line track structure is a barrier to attracting new rail-served industries. Today, the M&B operates at a maximum speed of 25 miles per hour. Approximately 20% of the Alabama trackage operates under slow orders, limiting train speed to between 10 and 20 miles per hour. The current service schedule allots a full day to transport freight from Montgomery to Meridian. The current M&B main line rail in Alabama was produced between 50 and 80 years ago, and much of it between Myrtlewood and Burkville was "cascaded" from other locations as second hand rail.

A major problem associated with the current M&B main line rail is that when it was produced it was "non-controlled cooled", meaning that immediately after its rolling at the rail mill it was left to cool in the normal atmosphere. Later it was determined that this method of producing rail resulted in random patterns in the metallurgical grain structure of the steel, creating internal weak spots that cannot typically be detected from the outward visual condition of the rail. Modern rail is produced with "controlled cooling", resulting in a consistent grain structure within the steel and a much stronger and durable rail when placed in use. The non-controlled cool rail on the M&B increases the risk of sudden failures and breaks in the rail, typically caused by a passing train. This has resulted in significant number of derailments on the railroad, requires slower speed limits over the line, and demands much more intensive and frequent inspections of the rail. The only solution to this is to replace the rail with new, control cooled, continuous welded rail.

Replacing the rail on the M&B will produce significant savings to customers with reduced transit times, more consistent service, less maintenance interruptions, and reduced derailments caused by undetected rail failures. The existing rail requires frequent repairs and increased inspections and surfacing, all of which will be significantly reduced with the new rail. Over a recent 21-month period, there were 24 derailments, costing \$5.9 million. More than half of the derailments over the period were rail-related. M&B management projects that if the rail is not replaced, the railroad could experience 150 or more rail-related derailments, costing approximately \$28 million (2009 dollars), over the next 20 years. Including other costs that would be avoided by replacing the rail, the total rail maintenance savings over a 20-year period are estimated at NPV \$29.1 million, nearly 45% of the cost to replace the rail, as summarized in the following table.

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<sup>12</sup> Alabama Department of Transportation, Bureau of Multimodal Transportation, Alabama Rail Plan 2008, page 1.5

<b>20-Year Savings from New Rail (2009 \$)</b>				<b>20-Year Savings (2009 Dollars)</b>
	<b>Current Annual Cost</b>	<b>Cost with New Rail</b>	<b>Annual Savings</b>	
Avoided rail-related derailments	\$ 1,357,679	\$ -	\$ 1,357,679	\$ 28,202,880
Ultrasonic and Induction Rail Testing Savings	\$ 60,000	\$ 36,000	\$ 24,000	\$ 480,000
Repair Costs	\$ 139,000	\$ 24,000	\$ 115,000	\$ 2,300,000
Tie Replacement	\$ 1,993,870	\$ 1,842,070	\$ 151,800	\$ 3,036,000
Rail Joint Maintenance	\$ 272,000	\$ -	\$ 272,000	\$ 5,440,000
Surfacing	\$ 500,000	\$ 250,000	\$ 250,000	\$ 5,000,000
<b>Total Savings</b>	<b>\$ 4,322,549</b>	<b>\$ 2,152,070</b>	<b>\$ 2,170,479</b>	<b>\$ 44,458,880</b>

**Net Present Value \$ 29,138,781**

Installing continuous welded rail will create an asset with an expected life of more than 60 years. Only routine maintenance will be required during the 20 years following project completion, including rail grinding one year after the project is completed and re-alignment (known as "surfacing" in the railroad industry) of the rail every 4 years thereafter. The project will increase track speed on the M&B in Alabama from 25 to 40 miles per hour, and is the largest and most critical step in allowing the M&B main line to handle 286k rail shipments.

The Alabama Black Belt Infrastructure and Development Project also will have a beneficial impact on the condition of Alabama highways and bridges by diverting traffic from truck to rail, particularly because much of the commercial traffic on Alabama's highways are simply passing through the State between origins and destinations in the Southeast and Southwest. Because upgrading the rail will make the M&B more competitive, the railroad estimates that it can divert 1.3 million truckloads and attract new rail business equivalent to another 450,000 truckloads over a 20-year period. This project, combined with bringing the M&B up to 286k, would divert a total of 2.5 million truckloads of freight to rail, and attract new rail business equivalent to 2.5 million truckloads over the period.

<b>Alabama Black Belt Infrastructure and Development Project 20-year Diverted and Avoided Truck Traffic</b>			
	<b>Phase 1 Rail Replacement</b>	<b>Phase 2 Complete Upgrade to 286k</b>	<b>Total</b>
Truckloads Diverted	1,302,000	1,254,000	2,556,000
Truckloads Avoided (new transportation opportunities)	454,200	2,013,600	2,467,800
<b>Total</b>	<b>1,756,200</b>	<b>3,267,600</b>	<b>5,023,800</b>

There also will be 2.2 billion less VMT by commercial vehicles (Phase 1 benefits only), and based on FHWA estimates of the marginal costs imposed by heavy vehicles, M&B estimates the project will avoid NPV \$232 million in highway maintenance and congestion costs (also Phase 1 benefits only).<sup>13</sup>

ALDOT is confident that business revenues generated on the M&B will provide a sustainable source of revenue for long-term operations and maintenance after the project, and that the M&B parent company, GWI will lend its management expertise and oversight to ensure the project is a complete success.

<sup>13</sup> Federal Highway Administration, Addendum to the 1997 Federal Highway Cost Allocation Study Final Report, May 2000.

## Economic Competitiveness

The Alabama Black Belt Infrastructure and Development Project will create two groups of significant benefits: benefits directly related to the new rail contained in this grant request (Phase 1), resulting in higher operating speeds and improved service reliability; and additional benefits that will result from increasing the M&B main line weight handling capacity to 286k standards (Phase 2). Both sets of benefits have been calculated for purposes of the grant application, since replacement of the M&B main line rail is the most largest and important step in upgrading the line to handle 286k shipments.

New customers and business opportunities on the M&B will bring new jobs to the Black Belt region of Alabama, one of the poorest areas in the State and, indeed, the nation. The positive impact on the Black Belt is *the* reason ALDOT is sponsoring and wholeheartedly supports a TIGER grant for this project. By any measure, the counties through which the M&B operates are economically distressed. Per capita income ranges from being 51 – 74% of the national average, while the rate of unemployment in the Black Belt far exceeds that of the nation. Approximately one-third of the population has less than a high school education. Thirty-seven percent of the children under the age of 18 in the Black Belt live in poverty, compared to 18.2% nationwide. In the last 50 years, the population of the Black Belt has declined 25%.<sup>14</sup>

<b>Black Belt Unemployment and Per Capita Income</b>		
<b>County</b>	<b>Rate of Unemployment (July 2009)</b>	<b>Per Capita Income (2007)</b>
Lowndes	18.3%	\$25,526
Dallas	21.1%	\$26,200
Wilcox	24.9%	\$19,504
Marengo	13.5%	\$28,686
Choctaw	13.0%	\$25,526
<b>National average</b>	<b>9.4%</b>	<b>\$38,615</b>

In recognition of the dire economic circumstances in the Black Belt, Alabama Governor Bob Riley created the Black Belt Action Commission in 2004 with a mission to “measurably improve the quality of life in Alabama's Black Belt region by actively working with all citizens of Alabama and any other supportive parties”. Through 2007, more than 2,500 jobs have been created in the Black Belt, 7 new businesses have located in the region, and 34 businesses have expanded. But significantly more economic development will be needed to lift the area out of extreme poverty.

The true value of the Alabama Black Belt Infrastructure and Development Project lies in what the project can do in the near- and long-term to attract new manufacturing and distribution companies to the area. While replacing the rail on the M&B will create or preserve 93 direct and 362 indirect and induced jobs, the railroad estimates that within 4 years after the start of the project, it will also be able to facilitate expansion of existing customer operations, locate one new rail customer, and establish a new intermodal facility in Selma. In total, the replacement of the rail and these subsequent developments will create 715 direct industrial positions and 78 direct transportation jobs. This Phase 1 project upgrading the M&B main line rail is the first and most important step to achieve a 286k operating standard.

<sup>14</sup> Economic Development Partnership of Alabama, County Profiles at [www.advantagealabama.com](http://www.advantagealabama.com)

In a research paper prepared at the request of the M&B entitled "Industrial Opportunities for the Freight Corridor through the Black Belt Region of Alabama", the University of Alabama Huntsville concluded:

"The M&B Railroad runs through the heart of the Black Belt in Alabama. Improved rail access coupled with the industrial site availability could make it possible for this region of the Southeast U.S. to compete for and secure a major project which may provide the stimulus needed to break the cycle of no jobs – no future that many in the area have seen for generations."<sup>15</sup>

With completion of the rail project and subsequent upgrades, primarily to some of the 98 bridges, to carry 286,000-pound cars by September 2016, M&B projects significant additional growth, including the ability to attract a major new rail customer in Selma and additional satellite customers. With these improvements, M&B projects the creation of a total of 4,506 direct jobs and the creation or preservation of 3,396 indirect and 2,973 induced jobs within 8 years after installing continuous welded rail on the M&B. The job, compensation, and “value-added” impacts are summarized below. Value-added consists of labor compensation, indirect business taxes, and other income (see Appendix 1 for a description of the model used to produce these estimates).

<b>Alabama Black Belt Infrastructure and Development Project</b>						
<b>20-year Impacts</b>						
	<b>Rail Replacement</b>			<b>Rail Replacement and Subsequent Work to Achieve 286k</b>		
	<b>Jobs</b>	<b>Labor Compensation (NPV, millions of \$)</b>	<b>Value Added (NPV, millions of \$)</b>	<b>Jobs</b>	<b>Labor Compensation (NPV, millions of \$)</b>	<b>Value Added (NPV, millions of \$)</b>
<b>Rail Replacement and Industrial Development Jobs</b>						
Direct	715	\$ 324.2	\$ 472.3	4,506	\$ 1,231.9	\$ 2,159.4
Indirect	689	\$ 251.3	\$ 479.4	3,396	\$ 1,234.4	\$ 2,220.9
Induced	488	\$ 126.0	\$ 231.8	2,973	\$ 594.8	\$ 1,086.2
<b>Subtotal</b>	<b>1,892</b>	<b>\$ 701.6</b>	<b>\$ 1,183.5</b>	<b>10,875</b>	<b>\$ 3,061.1</b>	<b>\$ 5,466.4</b>
<b>Transportation Jobs</b>						
Direct	78	\$ 70.4	\$ 131.8	123	\$ 121.1	\$ 247.8
Indirect	70	\$ 54.3	\$ 82.2	126	\$ 66.6	\$ 98.6
Induced	60	\$ 33.7	\$ 62.8	108	\$ 42.8	\$ 78.7
<b>Subtotal</b>	<b>208</b>	<b>\$ 158.4</b>	<b>\$ 276.8</b>	<b>357</b>	<b>\$ 230.4</b>	<b>\$ 425.1</b>

While no new manufacturing or distribution companies have yet committed to locating on the M&B, the M&B forecast, particularly for the benefits associated directly with the rail replacement project (Phase 1), is entirely reasonable. Unrestricted M&B access to three major Class I railroads (CSX, KCS and NS) via a reliable, higher speed main line, can make available sites along the M&B highly desirable to rail shippers for their new facilities. It is extremely common for major new facilities requiring rail service to be constructed only at a location with unrestricted access to at least two major Class I railroads. Providing efficient, reliable and unbiased access to three Class I railroads can help companies served by M&B foster increased

<sup>15</sup> "Industrial Opportunities for the Freight Corridor through the Black Belt Region of Alabama", University of Alabama – Huntsville Office for Freight, Logistics, and Transportation Center for Management & Economic Research, September, 2009, pg. 21. The complete University of Alabama – Huntsville report is attached as Appendix 4.

competition among Class I railroads for their shipments, expand their network reach thus making them more competitive in their raw material and finished product marketplaces.

The importance of an improved M&B main line through the Black Belt for future industrial development opportunities is reinforced in the University of Alabama – Huntsville research paper "Industrial Opportunities for the Freight Corridor through the Black Belt Region of Alabama". It states:

"Over the past decade, Alabama has landed a number of sizable projects. Although not all projects generate large amounts of freight, many of Alabama’s successes were made possible by access to rail.

In fact, according to interviews with several regional economic development professionals, “between 10% and 20% of economic development projects today and into the foreseeable future have a requirement for rail access.”

Communities, regions, and states that cannot offer sites that meet a specific transportation requirement are not able to compete for the jobs. Simply stated, industrial sites and ultimately states are eliminated early in the location decision analysis if they cannot meet the minimum site requirements like access to appropriately capable rail. In fact, the economic development professionals interviewed all said that major projects often require access to two or more railroads in order to not be totally dependent on a single rail freight transportation provider."<sup>16</sup>

M&B is also well-positioned because a number of industrial development sites in Alabama are served by the railroad, including one of only nine “Alabama AdvantageSites”. A site designated as an AdvantageSite has completed preliminary environmental assessments, documented utility status, and meets certain minimum site characteristics. The site has essentially been vetted so that develop can occur more reliably and quickly. The ADO web site promotes the following M&B served sites as ready for industrial development projects<sup>17</sup>:

Ready Industrial Development Site Served by M&B					
Site Name	City	County	Acreage - Available	Acreage - Total	Zoning
Craig Industrial Park	Selma	Dallas	700	700	Light Industrial
South Dallas Build-to-Suit	Selma	Dallas	10	10	None
South Dallas Godwin Site <i>Alabama AdvantageSite</i>	Selma	Dallas	305	305	Heavy Industrial
South Dallas Industrial Park	Selma	Dallas	500	600	Light Industrial
Linden Industrial Park	Linden	Marengo	215	250	Heavy Industrial

<sup>16</sup> *ibid*, pg. pg. 18

<sup>17</sup> Alabama Development Office web site, [www.ado.state.al.us](http://www.ado.state.al.us), August 14, 2009



Another significant economic opportunity the Alabama Black Belt Infrastructure and Development Project will provide is the ability to construct a rail – truck intermodal terminal in Dallas County to better serve current Black Belt needs and become a magnet for future distribution center development in the region. Indeed, distribution is one of the three major untapped opportunities identified in the University of Alabama – Huntsville research paper "Industrial Opportunities for the Freight Corridor through the Black Belt Region of Alabama":

"There are three additional industry clusters ...which often use rail transportation that could be growth opportunities for the M&B railroad corridor through the Black Belt. As the industries in these three clusters grow and/or seek alternative transportation services, rail transportation could become an important requirement for many companies. The three additional clusters are:

- Automotive – raw materials, parts, tooling, finished automobiles, etc. (22,701 jobs)
- Distribution Services – warehousing, third party logistics, etc. (13,212 jobs)
- Agricultural Products – grains, livestock, etc. (3,610 jobs)"<sup>18</sup>

In fact, according to the head of the Selma and Dallas County Economic Development Authority, two prime locations are ready to be developed into a M&B served intermodal terminal east of Selma: "...we can move forward with efforts to make Selma a truly multi-modal center. There are two locations southeast of Selma on the M&B that are "shovel ready" to construct an intermodal terminal. This terminal would directly compliment the significant sites available in and around the Craig Field Airport and Industrial Complex currently available for distribution centers, build off of the highway projects, and airport improvements already underway in our region."<sup>19</sup>

Finally, GWI, the parent company of M&B, knows from experience what achieving 286k can mean for a short line that can interchange with multiple rail carriers. Another GWI short line, the Columbus and Greenville Railway (CAGY) in Mississippi, upgraded its line to 286k in 2002, and within three years, Severstal International selected a site on the CAGY for a new mini-mill. The mini-mill created 2,200 construction jobs and 450 permanent jobs. The mini-mill attracted two steel processors to locate in the same area, bringing another 240 permanent jobs.

## **Livability**

This most significant contribution of this project to livability will be its contribution to the local economy by creating jobs and improving the standard of living in the Black Belt. A wide variety of local, state, and federal officials and organizations, including the Black Belt Action Commission, the Alabama Department of Economic and Community Affairs, and the Alabama-Tombigbee Regional Commission are all strongly supporting the project because of its long-term potential for the Black Belt.

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<sup>18</sup> "Industrial Opportunities for the Freight Corridor through the Black Belt Region of Alabama", University of Alabama – Huntsville Office for Freight, Logistics, and Transportation Center for Management & Economic Research, September, 2009, pg. 12

<sup>19</sup> M. Wayne Vardaman, Executive Director, Selma and Dallas County Economic Development Authority, September 1, 2009

## Sustainability

The Alabama Black Belt Infrastructure and Development Project will contribute to the sustainability of the environment by encouraging more freight to move by rail, thereby reducing fuel consumption, GHG, highway damage and congestion as compared to truck highway transportation. According to the Association of American Railroads (AAR), freight trains are at least three times as fuel efficient as trucks.<sup>20</sup> Over a twenty-year period, the rail replacement project will save an estimated NPV \$568.4 million in diesel fuel compared to moving the same freight over the highway, including NPV \$81.9 million associated with shifting traffic from CSXT to KCS at New Orleans to the shorter CSXT – Montgomery – M&B – Meridian – KCS route.<sup>21</sup> This fuel savings results in an estimated 2.2 million fewer tons of greenhouse gases with a value of NPV \$60.5 million<sup>22</sup>; and save NPV \$232 million in highway maintenance and congestion costs than would occur if the project is not built and the freight moves over the highway. All of these environmental benefits increase significantly once the M&B main line is able to handle 286k shipments (Phase 2), as highlighted in the following table.

<b>Alabama Black Belt Infrastructure and Development Project NPV of 20-year Contributions to Sustainability (discounted at 7%)</b>			
	<b>Phase 1 Rail Replacement</b>	<b>Phase 2 Complete Upgrade to 286k</b>	<b>Total</b>
Fuel Savings	\$ 568,408,048	\$ 671,177,062	\$ 1,239,585,111
GHG Emissions Savings	\$ 60,471,664	\$ 46,997,985	\$ 107,469,649
Highway Maintenance and Congestion Cost Savings	\$ 231,994,037	\$ 315,632,296	\$ 547,626,333
<b>Total</b>	<b>\$ 628,879,712</b>	<b>\$ 718,175,047</b>	<b>\$ 1,347,054,759</b>

## Safety

Both railroad and highway safety will be improved by the Black Belt Infrastructure and Development Project. As reviewed in "State of Good Repair", M&B experienced frequent derailments since 2005 caused by the inferior rail on its main line. According to the Federal Railroad Administration, across the rail industry track defects were the leading cause of train accidents during the first 5 months of 2009.<sup>23</sup> Replacing the rail on the M&B will significantly reduce exposure to track-caused derailments and possibly serious accidents and injuries.

The diversion of current truck highway traffic to the M&B route, and avoid additional future truck traffic on the highway network will also reduce the number and cost of highway crashes. Based on FHWA estimated marginal crash costs for incremental truck traffic, M&B estimates that the rail replacement project will avoid NPV \$13.6 million in highway crash costs, 286k will avoid a total of NPV \$31.9 million in highway crash costs.

<sup>20</sup> See <http://www.aar.org/Environment/Environment.aspx>

<sup>21</sup> The value of the fuel tax savings is based on the methodology in Chapter VIII of the Final Regulatory Impact Analysis of the National Highway Traffic Safety Administration's rulemaking on Corporate Average Fuel Economy for MY 2011 Passenger Cars and Light Trucks. See Appendix \_\_\_ for additional detail.

<sup>22</sup> Calculations use the Association of American Railroads carbon calculator ([www.aar.org](http://www.aar.org)) and a value of \$33 per metric ton of carbon.

<sup>23</sup> Railway Track & Structures, "Track defects top cause of 2009 accidents", August 6, 2009

## B. JOB CREATION AND ECONOMIC STIMULUS

### Near-Term Job Creation and Stimulus

The Black Belt Infrastructure and Development Project is shovel ready and construction jobs will be created quickly. M&B management is committed to completing the project in less than 15 months after execution of the grant agreement. As indicated by the table below, the rail project will create 93 direct jobs and create or preserve another 254 indirect and 108 induced jobs.

Of greater significance and impact for the Black Belt region, however, are the additional jobs that will be created and preserved during the four years after the start of the rail project. The M&B believes the increased transit time and improved reliability of continuous welded rail will result in increased output by the railroad's existing customers as well as additional rail market share, creating 142 direct customer positions and 8 new railroad jobs. M&B also forecasts locating one new, moderate-size customer on the line during this period, and establishing an intermodal facility at Selma, a plan supported by the Selma & Dallas County Economic Development Authority and the Craig Field Airport and Industrial Authority.

In addition to the shipper-related jobs, 78 new permanent railroad and trucking positions would be created. These positions would be needed to support the additional traffic and the intermodal facility at Selma. The expected increases in M&B employment are directly supported by the level of employment during the period after Hurricane Katrina, during which time total M&B employment level was approximately 60 positions greater than current levels.

<b>Alabama Black Belt Infrastructure and Development Project</b>					
<b>Industrial Development Jobs Created and Preserved - first 4 Years</b>					
<u>Year</u>	<u>Event</u>		<u>Direct Jobs</u>	<u>Indirect Jobs</u>	<u>Induced Jobs</u>
1	Install continuous welded rail	Construction Jobs	93	254	108
2	New jobs with Alabama rail shippers due to improved rail transit time and reliability	Permanent Positions	142	315	215
3	New jobs associated with a new, moderate-size rail customer	Construction Jobs	250	70	87
		Permanent Positions	120	22	40
4	New jobs associated with a new intermodal terminal in Selma, AL	Construction Jobs	90	25	31
		Permanent Positions	20	4	7
<b>Total</b>			<b>715</b>	<b>689</b>	<b>488</b>
Transportation-Related Jobs		Permanent Positions	78	70	60

## Project Schedule

All elements of the Black Belt project will be completed well in advance of February 17, 2012. Assuming a grant is awarded at the end of January 2010, project construction can begin immediately on execution of a grant agreement, or earlier if permission is granted by USDOT and ALDOT. Once construction begins, the project will take no more than 15 months to complete. A detailed project schedule is attached as Appendix 5.

<b>Project Manpower Estimates, by Quarter and Functional Area</b>						
	2Q-2010	3Q-2010	4Q-2010	1Q-2011	2Q-2011	3Q-2011
Administration	2					
Engineering and Project Management	5	5	5	5	5	5
New Rail Installation	20	38	38	38	38	38
Welding	2	2	2	2	2	2
Turnout Installation		10	10	10	10	10
Internal Labor (Flagging, Inspection, Signals)	6	6	6	6	6	6
Diamond Installation		10	10	10		
Road Crossing (new and repairing)	10	10	10	10	10	10
Surfacing (main line)		8	8	8	8	8
Surfacing (turnouts)		4	4	4	4	4

## Environmental Approvals

M&B has completed and is ready to request a Categorical Exclusion under NEPA for the project; guidance has been requested from USDOT on which agency should receive this document. A copy of the worksheet is attached as Appendix 6, (without completed maps, due to file size). No other environmental or other permits are required because the project will involve work entirely within the existing railroad right-of-way and does not involve any expansion of current M&B facilities. The fact that this project has no noticeable environmental impacts will help facilitate completion of the project by February 2012.

## Legislative Approvals

No legislative approvals are required for the project. The Black Belt Infrastructure and Development Project has broad political support. In addition to the support of ALDOT, 28 letters of support from federal, state and local elected officials; local and regional economic development and planning organizations, and a railroad labor organization are included with this application (see Appendix 2). Below are excerpts from a sample of these letters.

➤ *Alabama Lieutenant Governor Jim Folsom*

“...As Lieutenant Governor of the State of Alabama, I see first hand the needs of the Black Belt region of West Alabama. We face unemployment levels that approach depression levels, and much lower than average personal income levels. Part of the reason for this is a lack of industrial development in this area. While we are working to address many of the reasons for this lack of new companies locating in this area, improving the M&BRR rail corridor is an effort we greatly need federal help to handle. With a TIGER grant, M&BRR can replace its main line rail in Alabama, opening this corridor up as a highly efficient corridor connecting the Southeast, Southwest, and Mexico...”

- *Congressman Arthur Davis*  
 "...Long before the current recession and enactment of the American Recovery and Reinvestment Act of 2009, my constituents in Alabama's Black Belt have struggled with chronically high unemployment and a lack of adequate infrastructure. The TIGER competitive grant program, created by ARRA and being administered by your department, provides my district with a unique opportunity to promote strategic investment in the Black Belt, to help improve its transportation infrastructure and to address the long term unemployment problems the region faces..."
- *Black Belt Action Commission Co-Chairs*  
 "...The TIGER competitive grant program administered by your department provides a tremendous opportunity to make a long-term, life-changing investment in the Black Belt. In a region largely overlooked in the past by companies seeking new sites for industrial plants, we need to improve the attractiveness of the region. One major way we can do that is to make the freight transportation infrastructure required by existing and future companies with facilities in the region more attractive. The Alabama Department of Transportation is in the final stages of upgrading the major East – West highway through the Black Belt, U.S. 80. We now need to upgrade the Meridian & Bigbee Railroad which parallels U.S. 80 between Montgomery and the Alabama – Mississippi state line, approximately 128 mile long..."
- *Alabama Department of Economic and Community Affairs Director Doni M. Ingram*  
 ...As Director of the Alabama Department of Economic and Community Affairs and as Executive Director of the Black Belt Action Commission, I have actual first-hand knowledge of the difficulties facing the Black Belt of Alabama. The largest of the many challenges facing this region is a lack of high quality industrial sector jobs. This results in unemployment levels in the Black Belt being the highest in Alabama, and in our nation. We have a unique opportunity to make a long-term, significant improvement to the transportation infrastructure in the Black Belt, and I write seeking your support to realize this opportunity. The Alabama Department of Transportation will be submitting a TIGER grant request to upgrade the main line of the Meridian & Bigbee Railroad (M&B) through five counties serving the heart of the Alabama Black Belt...
- *Selma, AL Mayor George Patrick Evans*  
 "...As Mayor of the City of Selma, I see first hand the needs of our region of Alabama. Unemployment levels in Selma and surrounding counties are approaching 20% and are among the highest in the nation. Because of the lack of industrial development and jobs, personal income levels are among the lowest in the nation. While the City of Selma, along with the Dallas County Commission, the Selma & Dallas County EDA and the Chamber of Commerce, has been working diligently to address many of the reasons for this lack of new companies locating in this area, improving the M&B RR rail corridor is an effort we greatly need federal help to handle..."
- *Linden, AL Mayor Mitzi F. Gates*  
 "...The M&B Railroad is a key economic development asset in the city of Linden, which is the county seat of Marengo County. As the mayor of our fair city, I am keenly aware of the importance of maximizing our assets. One of the greatest selling points of our developing industrial park is its prime location of being positioned between two major railroads – one of them, obviously, the M&B. Linden is poised and ready to attract

business and industry, and the M&B Railroad is a major factor in our level of confidence that we will achieve our economic development goals...”

- *Choctaw County Commission Chairman D'Wayne May*  
“...A rebuilt Meridian & Bigbee line will provide existing and future industrial companies along its line with faster and more dependable freight service. This, tied with the fact that the railroad connects with three national North American railroads, will significantly increase the attractiveness of sites along the railroad. I believe rebuilding this rail line is a critical step in providing a long term solution to the economic and employment challenges of the Black Belt...”
- *Selma and Dallas County Economic Development Authority Executive Director M. Wayne Vardaman*  
“...Selma and Dallas County are in the heart of the Alabama Black Belt. This region suffers from chronic unemployment. The state and region are focused on addressing this situation, but part of the solution is improving our transportation infrastructure. This is why the M&B rail TIGER rail project is so important to us. Bringing this rail line up to modern freight standards will open up two major projects that I believe are cornerstones in helping Selma, Dallas County, and the entire Alabama Black Belt region: First, we can move forward with efforts to make Selma a truly multi-modal center. There are two locations southeast of Selma on the M&B that are "shovel ready" to construct an intermodal terminal... Second, our efforts to land a major industrial sector facility in Dallas County will be significantly enhanced...”
- *Brotherhood of Maintenance of Way Employes General Chairman Dennis Albers*  
...We also know first hand the economic difficulties faced by the communities served by the M&B in Alabama, a region known as the "Black Belt". Extremely high levels of unemployment and a lack of new job opportunities plague the Black Belt, and this problem predates the current recession. Most folks would call the levels of unemployment we face a depression, not a recession. My bothers in the BMWWE and me also know that the M&B can be part of the solution to our difficulties in the Black Belt. By replacing the worn out rail with new, modern rail, our railroad can provide the levels of service needed to support our existing customers, and attract new ones to the communities we serve. Based on all this, I strongly ask for your support of a TIGER Grant request being made by Alabama DOT to replace the main line rail on the M&B...

## **State and Local Planning**

This project is consistent with the Alabama State Rail Plan. It directly supports the priorities of freight mobility, safety and congestion mitigation; with a strong emphasis on improvement of existing infrastructure. Rail freight infrastructure projects typically are not programmed on the TIP or the STIP, however, this project is strongly endorsed by the Alabama-Tombigbee Regional Commission.

## **Technical Feasibility**

There are no significant technical challenges to completion of this project. The process for replacing rail is well-established and there are no special or unique circumstances that would impede completion of the project on schedule. Since the project involves replacing existing rail without any modification to the curvature or other engineering on the railroad, no new engineering plans and design are required.

## Financial Feasibility

With success in securing a USDOT TIGER grant as requested for this project, the financing necessary to start and complete this project will be in place. M&B management included an 8% contingency in its engineering and project management costs, and M&B is prepared to absorb any cost overruns, although none are anticipated.

No other federal, state or local infrastructure grants have been awarded to M&B under its ownership by GWI. A prior SAFETEA-LU High Priority Project, for conversion of the shared highway – rail bridge over the Tombigbee River to rail only use, was awarded prior to acquisition by GWI, although completed during GWI ownership. There are numerous federal and state infrastructure grants awarded and fully executed in a timely manner by other GWI owned railroads, in Maine, Vermont, New York, Pennsylvania, Virginia, North Carolina and Oregon. Specific information on any of these grants is available on request.

## C. INNOVATION

Heavier, controlled cooled new continuous welded rail will be a technological step forward for the M&B main line, and its ability to serve the Black Belt. The new rail will allow for innovations in M&B freight services, including the potential to start intermodal services and eventual double stack container services not previously provided on this line. Improved speed and reliability of M&B freight services, directly allowed by this project, will facilitate the locating of new industries in the Black Belt, some of which are likely to employ new, innovative technologies.

## D. PARTNERSHIP


This is an opportunity for a meaningful and successful public – private partnership, between the Federal government, State of Alabama, and Meridian & Bigbee Railroad. The strong and clear support for this project from federal, state, and local governmental officials, local and regional economic development and planning organizations, and a railroad labor organization all support the broad partnership this project represents.

## Davis-Bacon Certification

The Alabama Department of Transportation and the Meridian and Bigbee Railroad hereby certify that they will comply with the requirements of subchapter IV of chapter 31 of title 40, United States Code.



D. J. McInnes  
Transportation Director  
Alabama Department of Transportation



Gerry Gates  
President  
Meridian & Bigbee Railroad, L.L.C.

# **Alabama Black Belt Infrastructure and Development Project TIGER Application**

## **APPENDICES**

1. Methodology for Economic and Environmental Assessment
2. Letters of Support
3. Project Cost Detail
4. University of Alabama – Huntsville research report “Industrial Opportunities for the Freight Corridor through the Black Belt Region of Alabama”
5. Project Schedule
6. NEPA Categorical Exclusion Documentation (text only)



## **Alabama Black Belt Infrastructure and Development Project Summary of Methodology for TIGER Application**

### **A. Economic Analysis**

The benefits associated with the economic analysis are driven by two sets of assumptions:

1. The TIGER project rail replacement construction employment estimates are based on costing and timing estimates developed by M&B and GWI senior management personnel, in consultation with experts in the industry as necessary. The bulk of the work will be done by qualified third party contractors due to the expertise and equipment necessary for a rail replacement project of this size. These contractors will be selected and retained after execution of the grant agreement following the guidelines required for the TIGER program.
  
2. Increases in construction and permanent employment following completion of the rail project are based on the known benefits associated with the rail project, and are based on increases in both existing and future M&B customer employment and increases in M&B employment. These estimates were developed by GWI and M&B senior managers, including one with prior responsibility for running an industrial development department for a major Class I railroad. Specific opportunities, such as the creation of the intermodal terminal in Selma/Dallas County, were vetted with regional Economic Development Agency officials. When possible, specific benefits were based on experiences on other short line railroads in similar circumstances.

The increases in employment at existing and future customer locations were developed in two phases, first being supported by completion of TIGER rail project, and the second being justified by the subsequent improvements to the M&B main line making it 286k capable. Throughout the analysis and application, these are referred to as "Phase 1" and "Phase 2".

The economic impacts of the Black Belt Infrastructure and Development Project were estimated using IMPLAN data and software. IMPLAN (IMpact analysis for PLANning) uses input-output analysis in combination with regional-specific Social Accounting Matrices, Multiplier Models, and local and regional economic information to predict the impact of a change or event in activity on area jobs and other economic indicators.

Each of the projected “events” associated with the Black Belt project, described in the attachment to this document, was modeled with the IMPLAN software and the impacts estimated over a 20-year period. The estimated direct construction and permanent positions created by each event were the “inputs” used to estimate the impact of the events. The direct, indirect, and induced impacts of the events were estimated using IMPLAN data for the 5-county Black Belt area through which the M&B operates. Additional State-wide indirect and induced impacts outside of the 5-county area were estimated using IMPLAN data for the State of Alabama.

Separate models were developed to assess the impact of events on transportation-related jobs and industrial development-related jobs because a single model could not be designed to adequately and accurately account for both types of impacts. Since transportation jobs are an indirect impact of an industrial development event, the results of the two models are not additive.

All of the “outputs” from the model were inflated over the 20-year study period by the Congressional Budget Office’s Consumer Price Index forecast through 2018 (2.1% for 2010 – 2013 and 2.2% for 2014 – 2018). For subsequent years, a 2.5% rate of inflation was assumed. The results were then discounted at a 7% rate. Results were summarized separately for Phase 1 (rail replacement) and Phase 2 (bridge upgrades) of the M&B two-phase improvement program to upgrade the railroad to 286k.

#### B. Truck VMT Avoided

Estimates were made of the carload and intermodal rail traffic resulting from each of the events associated with the Black Belt project and converted to equivalent truckloads. A distinction was made between traffic that would be diverted from truck to rail and new transportation opportunities. A 1500-mile average length of haul was assumed for intermodal traffic and a 750-mile average length of haul was assumed for carload freight. To keep estimates conservative, the VMT estimates assume 0% empty truck backhauls.

#### C. Fuel Savings

The estimate for fuel savings are based on the guidance provided in Chapter VIII of the Final Regulatory Impact analysis of the National Highway Traffic Safety Administration’s rulemaking on Corporate Average Fuel Economy for MY 2011 Passenger Cars and Light Trucks. The Energy Information Administration’s latest forecast of fuel prices, in nominal dollars, was adjusted to exclude federal and State fuel taxes, and to include the cost of externalities. The analysis assumes a 3 to 1 fuel advantage for rail transportation compared to commercial motor vehicles. The average fuel economy for tractor-trailer van combinations is assumed to be 7 miles per gallon. Results were discounted at a discount rate of 7%.

#### D. Greenhouse Gas Emission Savings

The volume of greenhouse gas emissions savings was calculated using the Association of American Railroads’ Carbon Calculator, and then valued at \$33 per metric ton of carbon. The results were converted to current dollars for the 20-year study period based on the Congressional Budget Office’s forecast Consumer Price Index through 2018 and 2.5% thereafter, and then discounted at a rate of 7%.

E. Highway Maintenance, Congestion, and Crash Savings

The estimates for highway maintenance, congestion and crash savings are based on the Federal Highway Administration's May 2000 Addendum to the 1997 Federal Highway Cost Allocation Study Final Report. Pavement, congestion, and crash factors were applied for an 80,000-pound combination truck traveling on rural interstate, updated to 2009 dollars. The results were converted to current dollars for the 20-year study period based on the Congressional Budget Office's forecast Consumer Price Index through 2018 and 2.5% thereafter, and then discounted at a rate of 7%.

JIM FOLSOM, JR.  
LIEUTENANT GOVERNOR



ALABAMA STATE HOUSE  
MONTGOMERY, ALABAMA 36130

**STATE OF ALABAMA**

August 14, 2009

The Honorable Ray H. LaHood  
Secretary  
U.S. Department of Transportation  
1200 New Jersey Avenue, SE  
Washington, DC 20590

Subject: Support of the ALDOT – Meridian & Bigbee Railroad TIGER Grant Request

Dear Secretary LaHood:

I am writing requesting your consideration and support of the TIGER grant request being submitted by Alabama Department of Transportation for the replacement of rail on the main line of the Meridian & Bigbee Railroad (M&BRR).

As Lieutenant Governor of the State of Alabama, I see first hand the needs of the Black Belt region of West Alabama. We face unemployment levels that approach depression levels, and much lower than average personal income levels. Part of the reason for this is a lack of industrial development in this area. While we are working to address many of the reasons for this lack of new companies locating in this area, improving the M&BRR rail corridor is an effort we greatly need federal help to handle.

With a TIGER grant, M&BRR can replace its main line rail in Alabama, opening this corridor up as a highly efficient corridor connecting the Southeast, Southwest, and Mexico. The railroad connects with CSX, KCS and NS, and this will help us attract new industry to our region.

Without a TIGER grant, this project is beyond our financial means to start, let alone complete. We need your support for this project.

We look forward to seeing you at our ribbon cutting once this effort is done!

Sincerely,

A handwritten signature in black ink that reads "Jim Folsom".

Jim Folsom, Jr.

c: Mr. Joe McInnes, Alabama Department of Transportation  
Mr. Jerry E. Vest, Meridian & Bigbee Railroad

# United States Senate

WASHINGTON, DC 20510-0104

September 4, 2009

The Honorable Ray LaHood  
Secretary  
US Department of Transportation  
1200 New Jersey Avenue, SE  
Washington, D.C. 20590

Dear Secretary LaHood:

I am writing to express my utmost support of the application submitted by the Alabama Department of Transportation (ALDOT) on behalf of Meridian & Bigbee (M & B) Railroad to the US Department of Transportation for the Transportation Investment Generating Economic Recovery (TIGER) Grant.

This funding, if awarded, would enable ALDOT to make critical improvements to the main line of the M & B Railroad that crosses through the center of Alabama's Black Belt Region. As you may know, the Black Belt Region is an economically depressed area, and upgrades to this corridor would spur economic growth and development, making a significant impact in this vast region. This project is a priority for the region to ensure economic viability, and funding assistance is vital to see it to fruition.

Upon review of this grant application, I am certain you will see that it meets your selection criteria and will facilitate economic growth. Therefore, I urge you to give this application your full consideration and I await a favorable response. If I can answer any questions or provide further information on this project, please do not hesitate to contact me.

Very truly yours,



Jeff Sessions  
United States Senator

JS: mt

**ARTUR DAVIS**  
7TH DISTRICT, ALABAMA

208 CANNON HOUSE OFFICE BUILDING  
WASHINGTON, D.C. 20515  
(202) 225-2665  
FAX (202) 226-9567

[www.house.gov/arturdavis](http://www.house.gov/arturdavis)



COMMITTEES  
COMMITTEE ON WAYS AND MEANS  
COMMITTEE ON HOUSE ADMINISTRATION

**Congress of the United States**  
**House of Representatives**

September 4, 2009

Secretary Ray H. LaHood  
U.S. Department of Transportation  
1200 New Jersey Avenue, SE  
Washington, DC 20590

Subject: Support of the ALDOT -- Meridian & Bigbee Railroad TIGER Grant Request

Dear Secretary LaHood:

Long before the current recession and enactment of the American Recovery and Reinvestment Act of 2009, my constituents in Alabama's Black Belt have struggled with chronically high unemployment and a lack of adequate infrastructure. The TIGER competitive grant program, created by ARRA and being administered by your department, provides my district with a unique opportunity to promote strategic investment in the Black Belt, to help improve its transportation infrastructure and to address the long term unemployment problems the region faces.

The Alabama Department of Transportation will shortly be submitting a TIGER project to upgrade the main line of the Meridian & Bigbee Railroad (M&B) through five counties serving the heart of the Alabama Black Belt. This project will allow the railroad to significantly upgrade its main line, connecting Montgomery and Selma, Alabama to Meridian, Mississippi. The project can provide two major benefits: a strategic improvement in the rail transportation infrastructure through this region, and an enhanced ability to attract new industrial sector jobs to communities served by the railroad.

As you may know, the impacts of the recession have been keenly felt in my state and district in particular. This month, news reports listed Alabama's unemployment rate as the 15<sup>th</sup> highest in the nation, with a statewide average of 10.2 percent. As distressing as this number may be, it pales in comparison to the 24.9 percent of my constituents that are unemployed in Wilcox County, which is located in the Black Belt. Job creation in the 7<sup>th</sup> district is critical, and I understand that M&B project will create an estimated 93 jobs directly, with an additional 123 railroad jobs; 1,323 industrial sector jobs; and 3,230 construction jobs created as a result of the project. Creation of these jobs created over the life of the project will have a tremendous positive impact on the Black Belt.

**BIRMINGHAM OFFICE**  
2 20TH STREET N, SUITE 1130  
BIRMINGHAM, AL 35203  
(205) 254-1960  
FAX (205) 254-1974

**TUSCALOOSA OFFICE**  
TUSCALOOSA COUNTY FEDERAL COURTHOUSE  
1118 GREENSBORO, AL SUITE 336  
TUSCALOOSA, AL 35401  
(205) 752-5380  
FAX (205) 752-5899

**LIVINGSTON OFFICE**  
205 NORTH WASHINGTON STREET  
HWA STATION 40, WEBB HALL, SUITES 236-237  
LIVINGSTON, AL 35470  
(205) 652-5834  
FAX (205) 652-5935

**SELMA OFFICE**  
908 ALABAMA AVENUE  
FEDERAL BUILDING, SUITE 112  
SELMA, AL 36701  
(334) 877-4414  
FAX (334) 877-4489

**DEMOPOLIS OFFICE**  
102 EAST WASHINGTON STREET  
SUITE F  
DEMOPOLIS, AL 36732  
(334) 287-0860  
FAX (334) 287-0870

The cost of this project is beyond the financial ability of the railroad or the state. The owner of the railroad has made significant investments into this line since its purchase in 2005 and the TIGER grant program provides an excellent opportunity for a public – private partnership to allow work upgrading this corridor to continue.

For these reasons I am requesting your support for full funding of this project. Please do not hesitate to contact me or my Chief of Staff, Chanelle Hardy, at 202.225.2665 or [chanelle.hardy@mail.house.gov](mailto:chanelle.hardy@mail.house.gov).

Sincerely,

A handwritten signature in cursive script that reads "Artur Davis".

Artur Davis  
Member of Congress

OFFICE OF THE GOVERNOR

**BOB RILEY**  
GOVERNOR



**BLACK BELT ACTION COMMISSION**

MARGARET BENTLEY - COCHAIR  
SENATOR HANK SANDERS - COCHAIR  
SHELDON DAY - COCHAIR

DONI M. INGRAM - EXECUTIVE DIRECTOR

STATE OF ALABAMA

August 20, 2009

The Honorable Ray H. LaHood  
Secretary  
U.S. Department of Transportation  
1200 New Jersey Avenue, SE  
Washington, DC 20590

SUBJECT: TIGER Grant Request by Alabama DOT / Meridian & Bigbee Railroad

Dear Secretary LaHood:

Across a section of central Alabama there is a region known as the Black Belt. The area is known for its hard working, largely rural population. Unfortunately, it is also known for its high levels of unemployment and the challenges it faces in efforts to improve the quality of life for its residents. As Co-Chairs of the Black Belt Action Commission, we are well aware of these challenges.

The TIGER competitive grant program administered by your department provides a tremendous opportunity to make a long-term, life-changing investment in the Black Belt. In a region largely overlooked in the past by companies seeking new sites for industrial plants, we need to improve the attractiveness of the region.

One major way we can do that is to make the freight transportation infrastructure required by existing and future companies with facilities in the region more attractive. The Alabama Department of Transportation is in the final stages of upgrading the major East – West highway through the Black Belt, U.S. 80. We now need to upgrade the Meridian & Bigbee Railroad which parallels U.S. 80 between Montgomery and the Alabama – Mississippi state line, approximately 128 mile long.

The Meridian & Bigbee main line in Alabama consists of older, inferior light weight rail that is prone to breaking and requires frequent inspections and repairs. It is not adequate to handle modern rail car shipments. The TIGER grant request would replace this rail with new modern heavier rail that would improve the speed and consistency of freight services on the railroad. This, in turn, would make sites along the railroad much more attractive to possible new freight customers and attract new jobs to the Black Belt.

The cost of replacing the rail is beyond the financial capabilities of the railroad. The project matches well with the criteria of the TIGER program, and would make a successful public – private partnership effort. Your help in reviewing and approving this project will be greatly appreciated.

Sincerely,

Margaret Bentley, Co-Chair  
Black Belt Action Commission Co-Chairs

Hank Sanders, Co-Chair

Sheldon Day, Co-Chair

cc: Director Joe McInnes, Alabama DOT - Jerry Vest, Meridian & Bigbee Railroad



OFFICE OF THE GOVERNOR

**BOB RILEY**  
GOVERNOR



ALABAMA DEPARTMENT OF ECONOMIC  
AND COMMUNITY AFFAIRS

**DONI M. INGRAM**  
DIRECTOR

**STATE OF ALABAMA**

August 20, 2009

The Honorable Ray H. LaHood  
Secretary  
U.S. Department of Transportation  
1200 New Jersey Avenue, SE  
Washington, DC 20590

**SUBJECT: Support of the ALDOT – Meridian & Bigbee Railroad TIGER Grant Request**

Dear Secretary LaHood:

As Director of the Alabama Department of Economic and Community Affairs and as Executive Director of the Black Belt Action Commission, I have actual first-hand knowledge of the difficulties facing the Black Belt of Alabama. The largest of the many challenges facing this region is a lack of high quality industrial sector jobs. This results in unemployment levels in the Black Belt being the highest in Alabama, and in our nation.

We have a unique opportunity to make a long-term, significant improvement to the transportation infrastructure in the Black Belt, and I write seeking your support to realize this opportunity. The Alabama Department of Transportation will be submitting a TIGER grant request to upgrade the main line of the Meridian & Bigbee Railroad (M&B) through five counties serving the heart of the Alabama Black Belt.

M&B is a "short line" freight railroad connecting Montgomery, Alabama to Meridian, Mississippi. However, there is nothing short in the impact this railroad could have to our region. The railroad has the potential to become part of a highly-efficient corridor between the Southeast and Southwest, and between the Southeast and Mexico. It provides direct, open access to three major national railroads. This route has the potential to become a major draw of new industry to locate in the Black Belt region of Alabama. However, before such potential can be realized, the railroad must be upgraded by replacing light weight and technologically inferior rail on its main line with new, modern and heavier rail. This will improve the speed and reliability of rail service on this line, and help make more attractive sites along its line for future economic development.

Upgrading the M&B is beyond the financial ability of the railroad or the state. The owner of the railroad has invested tremendously into this line since its purchase in 2005. The TIGER grant program provides an excellent opportunity for a public – private partnership to allow work upgrading this corridor to continue.

I sincerely request your support for this project, and for the Black Belt region of Alabama.

Sincerely,

ADECA Director

cc: Director Joe McInnes, Alabama DOT - Jerry E. Vest, Meridian & Bigbee Railroad



## HOUSE OF REPRESENTATIVES

**SETH HAMMETT**  
Speaker

11 SOUTH UNION STREET  
MONTGOMERY, ALABAMA 36130  
334-242-7668

August 14, 2009

The Honorable Ray H. LaHood  
Secretary  
U.S. Department of Transportation  
1200 New Jersey Avenue, SE  
Washington, DC 20590

Re: The Alabama DOT / Meridian & Bigbee Railroad TIGER Grant Request

Dear Secretary LaHood:

As speaker of the Alabama House of Representatives, I write this letter in support of the Alabama Department of Transportation's application for a TIGER grant to improve the Meridian & Bigbee rail line between Montgomery, Alabama, and Meridian, Mississippi.

The railway, which is prone to breaking and needs frequent repair, is a perfect candidate for TIGER funds. It runs across the west central part of Alabama known as The Black Belt – an economically depressed area in dire need of economic development and employment opportunities.

Rehabilitation of the rail line would allow for the transport of heavier modern freight loads and provide existing and future industrial companies with faster and more dependable freight service. The fact that the line is tied in with three national North American railroads shows that it is a critical link in freight transportation across the Southeast. TIGER grant funds would be used to replace the existing rail with more modern rails that would improve the consistency of freight services.

The cost of replacing the rail is beyond the financial capabilities of the railroad, so this grant project matches well with the criteria of the TIGER program in terms of a successful public-private partnership effort. The project would have a long-standing, positive impact on one of this nation's most economically depressed areas.

I ask that you give the grant request every possible consideration. Do not hesitate to contact me if you need additional information.

Yours Truly,

A handwritten signature in black ink, appearing to read "Seth Hammett".

Seth Hammett



## ALABAMA STATE SENATE

Alabama State House  
11 South Union Street  
Montgomery, Alabama 36130-4600

**MARC KEAHEY**

STATE SENATOR 22ND DISTRICT  
P. O. BOX 297  
128 MAIN STREET  
GROVE HILL, ALABAMA 36451  
Email: marc\_keahey@yahoo.com

August 20, 2009

Law Office: 251-275-3127  
Fax: 251-275-3129  
Home: 251-273-3541  
Capitol: 334-242-7843  
Fax: 334-242-2210

Honorable Ray H. LaHood  
Secretary  
US Department of Transportation  
1200 New Jersey Avenue, SE  
Washington, DC 20590

Re: Alabama DOT/Meridian & Bigbee Railroad TIGER Grant Request

Dear Secretary LaHood:

Recently it was brought to my attention that Alabama Department of Transportation will be submitting a TIGER grant request to rebuild the main line of the Meridian & Bigbee Railroad in five west central Alabama counties. This project is extremely important to the future of our region. Its impact goes beyond the typical transportation infrastructure project, and is one that could help transform our part of Alabama.

As a State Senator, representing eight counties in Alabama, I have strong, first-hand knowledge of the difficulties facing the Black Belt Region of our state. The largest of the many challenges facing this region is a lack of high quality industrial sector jobs. This results in unemployment levels in the Black Belt consistently being the highest in Alabama, and indeed in our nation.

A rebuilt Meridian & Bigbee line will provide existing and future industrial companies along its line with faster and more dependable freight service. This, tied with the fact that the railroad connects with three national North American railroads, will significantly increase the attractiveness of sites along the railroad. I believe rebuilding this rail line is a critical step in providing a long term solution to the economic and employment challenges of the Black Belt.

The cost of replacing the rail is beyond the financial capabilities of the railroad. The project matches well with the criteria of the TIGER program, and would make a successful public – private partnership effort. Your help in reviewing and approving this project will be greatly appreciated.

Sincerely,

A handwritten signature in black ink that reads "Marc Keahey".

Marc Keahey

/ss

cc: Joe McInnes, Director ALDOT  
Jerry Vest, Meridian & Bigbee Railroad



ALABAMA

HANK SANDERS  
STATE SENATOR 23RD DISTRICT  
P.O. BOX 1290  
SELMA, ALABAMA  
36702  
SELMA, (334) 875-9264  
MONTGOMERY (334) 242-7860

**ALABAMA STATE SENATE**  
**ALABAMA STATE HOUSE**  
MONTGOMERY, ALABAMA 36130-4600

August 26, 2009

COMMITTEES:  
CHAIRMAN, FINANCE & TAXATION  
EDUCATION FUND  
COMMERCE, TRANSPORTATION  
& UTILITIES  
CONFIRMATIONS  
CONSTITUTION, CAMPAIGN FINANCE,  
ETHICS & ELECTION  
ECONOMIC EXPANSION & TRADE  
EDUCATION  
ENERGY & NATURAL RESOURCES  
FINANCE & TAXATION GENERAL FUND  
JUDICIARY  
LOCAL LEGISLATION #1

The Honorable Ray H. LaHood, Secretary  
U. S. Department of Transportation  
1200 New Jersey Avenue, SE  
Washington, D. C. 20590

**RE: TIGER Grant Request by Alabama DOT/Meridian & Bigbee  
Railroad**

Dear Secretary LaHood:

As Alabama State Senator representing nine (9) counties in West Alabama, I appreciate how busy you are responding to requests from across our nation. Let me briefly alert you to a TIGER grant application submitted to your Department by the Alabama Department of Transportation to replace the main line rail of the Meridian & Bigbee Railroad. This track runs through the heart of the Alabama Black Belt, much of which I represent.

The main line of the Meridian & Bigbee in Alabama consists of older, inferior, lightweight rail. The rail is prone to breaking, and requires frequent inspections and repairs. It is not adequate to handle modern rail car shipments. A TIGER grant would help replace this rail with new heavier rail that would improve the speed and consistency of freight services on the railroad. This, in turn, would make sites along the railroad much more attractive to potential freight customers and attract new jobs to the Black Belt. Unemployment is a chronic problem in our region, and I cannot over emphasize how important this project is to this area.

The cost of replacing the rail is beyond the financial capabilities of the railroad. The project matches well with the criteria of the TIGER program, and would make a successful public – private partnership effort. Your help in reviewing and approving this project will be greatly appreciated.

Sincerely,

Hank Sanders  
Hank Sanders

HS/gjp

cc: Director Joe McInnes, Alabama DOT  
Jerry Vest, Meridian & Bigbee Railroad



# ALABAMA STATE SENATE

ALABAMA STATE HOUSE  
11 SOUTH UNION - ROOM 732-B  
MONTGOMERY, ALABAMA 36130-4600

ALABAMA

**Bobby D. Singleton**

State Senator, 24th District  
11 South Union Street, Suite 732-B  
Office: (334) 242-7935  
Fax: (334) 242-7191

August 17, 2009

The Honorable Ray H. LaHood  
Secretary  
U.S. Department of Transportation  
1200 New Jersey Avenue, SE  
Washington, DC 20590

Dear Secretary LaHood:

I understand that Alabama Department of Transportation will be submitting a TIGER grant request to rebuild the main line of the Meridian & Bigbee Railroad west central Alabama. This project is extremely important to the future of the Black Belt area. Its impact goes beyond the typical transportation infrastructure project, and is one that could help transform our part of Alabama extensively.

This railroad provides freight services in the region of Alabama. However, it is an area largely left out of the tremendous economic development that has taken place throughout the rest of the Southeastern U.S. over the last twelve years. The lack of significant industrial development in the Black Belt means the chronic unemployment in the region continues to be an over-arching problem.

The proposed TIGER project would rebuild Meridian & Bigbee line, giving existing and future industrial companies along its line with faster and more dependable freight services. This, tied with the fact that the railroad directly connects with three Class I railroads, will significantly increase the attractiveness of sites along the railroad. I believe in rebuilding this rail line, providing a long term solution to the economic and employment challenges of the Black Belt region.

As a State Senator for the State of Alabama, I respectfully ask your full consideration and support of the Alabama DOT – Meridian & Bigbee Railroad TIGER grant application.

Sincerely,

A handwritten signature in cursive script that reads "Bobby Singleton".

Bobby Singleton  
Alabama State Senator, District 24

cc: Director Joe McInnes, Alabama DOT  
Mr. Jerry Vest, Meridian & Bigbee Railroad

COMMITTEES

CHAIR:

Tourism and Marketing

DEPUTY CHAIR:

Finance and Taxation, General Fund

VICE CHAIR:

Banking and Insurance

MEMBER:

Economic Expansion and Trade

Confirmations

Judiciary

Agriculture, Conservation and Forestry

Industrial Development and Recruitment

Energy and Natural Resources



# HOUSE OF REPRESENTATIVES

ALABAMA STATE HOUSE

MONTGOMERY, ALABAMA 36130

DISTRICT NO. 68  
CHOCTAW, CLARKE, CONECH, UH,  
MARENGO AND MONROE COUNTIES

**THOMAS E. JACKSON**

POST OFFICE BOX 656  
THOMASVILLE, ALABAMA  
38784

HOME: 334/636-0094

FAX: 334/636-9214

MONTGOMERY: 334/242-7738

**COMMITTEES:**

AGRICULTURE AND FORESTRY, CHAIR  
HEALTH

HEALTH CARE, VICE CHAIR

PROFESSIONAL SUBCOMMITTEE

**NATIONAL/REGIONAL COMMITTEE:**

NCSL AGRICULTURE AND RURAL DEVELOPMENT

August 26, 2009

The Honorable Ray H. LaHood  
Secretary  
U.S. Department of Transportation  
1200 New Jersey Avenue, SE  
Washington, DC 20590

SUBJECT: The Alabama DOT / Meridian & Bigbee Railroad TIGER Grant Request

Dear Secretary LaHood:

I understand that Alabama Department of Transportation will be submitting a TIGER grant request to rebuild the main line of the Meridian & Bigbee Railroad west central Alabama. This project is extremely important to the future of our region. Its impact goes beyond the typical transportation infrastructure project, and is one that could help transform our part of Alabama.

This railroad provides freight services in the region of Alabama known as the Black Belt. It is an area largely left out of the tremendous economic development that has taken place throughout the rest of the Southeastern U.S. over the last dozen years. The lack of significant industrial development in the Black Belt means the chronic unemployment in the region continues to be an over-arching problem.

The proposed TIGER project would rebuild Meridian & Bigbee line, giving existing and future industrial companies along its line with faster and more dependable freight service. This, tied with the fact that the railroad directly connects with three Class I railroads, will significantly increase the attractiveness of sites along the railroad. I believe it rebuilding this rail line is a critical step in providing a long term solution to the economic and employment challenges of the Black Belt.

In my capacity of being a state legislator for the House of Representatives, I respectfully ask your full consideration and support of the Alabama DOT - Meridian & Bigbee Railroad TIGER grant application.

Thank you,

A handwritten signature in cursive script that reads "Thomas E. Jackson".

Thomas E. Jackson

cc: Director Joe McInnes, Alabama DOT  
Mr. Jerry Vest, Meridian & Bigbee Railroad



# HOUSE OF REPRESENTATIVES

ALABAMA STATE HOUSE

MONTGOMERY, ALABAMA 36130

DISTRICT NO. 71  
GREENE, SUMTER, MARENGO AND  
TUSCALOOSA COUNTIES

**ARTIS (A.J.) MCCAMPBELL**

POST OFFICE BOX 1469  
LIVINGSTON, ALABAMA 35470  
LEGISLATIVE OFFICE  
205/652-6531  
BUSINESS 334/295-5634  
MONTGOMERY 334/242-7747

COMMITTEES:  
COMMERCE  
PUBLIC SAFETY  
AGRICULTURE AND FORESTRY  
TOURISM AND TRAVEL  
TUSCALOOSA COUNTY LEGISLATION

August 20, 2009

The Honorable Ray H. LaHood  
Secretary, U.S. Department of Transportation  
1200 New Jersey Avenue, SE  
Washington, DC 20590

Subject: Support of the ALDOT – Meridian & Bigbee Railroad TIGER Grant Request

Dear Secretary LaHood:

As a member of the Alabama House of Representatives, I have strong, first-hand knowledge of the difficulties facing the Black Belt of Alabama. One of the greatest challenges facing this region is a lack of quality industrial division employment. Due to this fact unemployment levels in the Black Belt are consistently some of the highest in Alabama, and indeed in our nation.

We have a unique opportunity to make a long term considerable improvement to the transportation infrastructure in the Black Belt. I write seeking your support to realize this opportunity understanding that the Alabama Department of Transportation will shortly be submitting a TIGER project grant request to upgrade the main line of the Meridian & Bigbee Railroad (M&B) through five counties serving the heart of the Alabama's Black Belt.

M&B is a "short line" freight railroad connecting Montgomery, Alabama to Meridian, Mississippi. However, there is nothing short in the possible impact that this railroad could have to our region. The railroad has the potential to become part of a highly efficient corridor between the Southeast and Southwest, and between the Southeast and Mexico. It provides direct, open access to three major national railroads.



This route has the potential to become a major recipient of new industry in the Black Belt region of Alabama. However, before such potential can be realized, the railroad must be upgraded by replacing light weight and technologically inferior rail on its main line with new, modern and heavier rail. This will improve the speed and reliability of rail service on this line, and help make more attractive sites along its line for future economic development.

Upgrading the M&B is beyond the financial ability of the railroad or the state. The owner of the railroad has invested tremendously into this line since its purchase in 2005. The TIGER grant program provides an excellent opportunity for a public – private partnership to allow upgrading of this corridor to continue.

I sincerely solicit your support for this project, and for the Black Belt region of Alabama

Sincerely,

A handwritten signature in cursive script that reads "Artis J. McCampbell". The signature is written in black ink and is positioned to the right of the word "Sincerely,".

Artis J. McCampbell

AJM/emj

cc: Director Joe McInnes, Alabama DOT  
Jerry E. Vest, Meridian & Bigbee Railroad



**HOUSE OF REPRESENTATIVES**  
**ALABAMA STATE HOUSE**  
**MONTGOMERY, ALABAMA 36130**

DISTRICT NO. 67  
DALLAS COUNTY

**YUSUF SALAAM**

LEGISLATIVE DELEGATION  
102 CHURCH STREET  
SELMA, ALABAMA 36701  
OFFICE 334/874-2569  
FAX 334/874-2571

LEGISLATIVE OFFICE 334/242-7746

August 25, 2009

**COMMITTEES:**  
**GOVERNMENT APPROPRIATIONS**  
TAXES AND EXEMPTIONS - SUBCOMMITTEE  
**JUDICIARY**  
CRIMINAL JUSTICE-SUBCOMMITTEE  
**NATIONAL/REGIONAL COMMITTEE:**  
NCSL-AGRICULTURE, ENVIRONMENT  
AND ENERGY

The Honorable Ray H. LaHood  
Secretary  
U.S. Department of Transportation  
1200 New Jersey Avenue, SE  
Washington, DC 20590

RE: TIGER Grant Request by Alabama DOT for the Meridian & Bigbee Railroad

Dear Secretary LaHood:

This letter is to respectfully ask for your consideration and approval of a TIGER grant request being made by ALDOT to rebuild the rail line through west central Alabama. This line, the Meridian & Bigbee Railroad between Montgomery, Alabama and Meridian, Mississippi, is a key part of our efforts to attract new industries to our region. These new companies are very much needed to address the long term unemployment problems we face. A rebuilt railroad will better connect our region with the rest of the Southeast, the Southwest and Mexico.

As State Representative of the Alabama House of Representatives, I will greatly appreciate your help in reviewing and approving this project for inclusion in the TIGER grant program.

Respectfully,

A handwritten signature in black ink, appearing to read "YUSUF SALAAM".

Yusuf Salaam  
State Representative  
District 67

cc: Director Joe McInnes, Alabama DOT  
Jerry Vest, Meridian & Bigbee Railroad



**HOUSE OF REPRESENTATIVES**  
**ALABAMA STATE HOUSE**  
**MONTGOMERY, ALABAMA 36130**

DISTRICT NO. 69  
WILCOX, LOWNDES, DALLAS  
AND AUTAUGA COUNTIES

**JAMES THOMAS**  
POST OFFICE BOX 1089  
CAMDEN, ALABAMA 36726  
OFFICE 334/682-9590  
LEGISLATIVE OFFICE 334/242-7701

**COMMITTEES:**  
EDUCATION APPROPRIATIONS  
BANKING AND INSURANCE  
TOURISM AND TRAVEL

August 21, 2009

The Honorable Ray H. LaHood  
Secretary, U.S. Department of Transportation  
1200 New Jersey Avenue, SE  
Washington, DC 20590

RE: TIGER Grant Request by Alabama DOT for the Meridian & Bigbee Railroad

Dear Secretary LaHood:

This letter is to respectfully ask for your consideration and approval of a TIGER grant being submitted by Alabama Department of Transportation to rebuild the rail line through west central Alabama. This line, the Meridian & Bigbee Railroad between Montgomery, Alabama and Meridian, Mississippi, is a key part of our efforts to attract new industries to our region. These new companies would address an unemployment problem this area has faced for many years. A rebuilt railroad will better connect our region with the rest of the Southeast, the Southwest and Mexico.

As a state legislator who represents this region, I will greatly appreciate your help in reviewing and approving this project for inclusion in the TIGER grant program.

Respectfully,

A handwritten signature in cursive script that reads "James Thomas".

James Thomas

JT/emj

cc: Director Joe McInnes, Alabama DOT  
Jerry Vest, Meridian & Bigbee Railroad

# CHOCTAW COUNTY COMMISSION

117 SOUTH MULBERRY - SUITE 9

BUTLER, ALABAMA 36904

JUDGE D'WAYNE MAY, CHAIRMAN

ALICE C. SMITH, CLERK-TREASURER

## COMMISSIONERS

TONY L. CHERRY, DISTRICT 1

C. D. RUFFIN, DISTRICT 2

## COMMISSIONERS

JOHN BEARD, DISTRICT 3

HENRY LOVETTE, DISTRICT 4

August 21, 2009

The Honorable Ray H. LaHood  
Secretary  
U. S. Department of Transportation  
1200 New Jersey Avenue, SE  
Washington, DC 20590

Re: The Alabama DOT/Meridian & Bigbee Railroad TIGER Grant Request

Dear Secretary LaHood:

Recently it was brought to my attention that Alabama Department of Transportation will be submitting a TIGER grant request to rebuild the main line of the Meridian & Bigbee Railroad in five west central Alabama counties. This project is extremely important to the future of our region. Its impact goes beyond the typical transportation infrastructure project, and is one that could help transform our part of Alabama.

The Meridian & Bigbee serves the region known as the "Black Belt" of Alabama; an area largely left out of the tremendous economic development that has taken place throughout the rest of Alabama and the Southeastern United States over the last dozen years. The lack of significant industrial development in the Black Belt means the chronic unemployment in the region continues to be an over-arching problem.

A rebuilt Meridian & Bigbee line will provide existing and future industrial companies along its line with faster and more dependable freight service. This, tied with the fact that the railroad connects with three national North American railroads, will significantly increase the attractiveness of sites along the railroad. I believe rebuilding this rail line is a critical step in providing a long term solution to the economic and employment challenges of the Black Belt.

As Probate Judge of Choctaw County and Chairman of the Choctaw County Commission, I respectfully ask your full consideration and support of the Alabama DOT-Meridian & Bigbee Railroad TIGER grant application.

Very truly yours,

  
D'Wayne May, Probate Judge/Chairman  
Choctaw County Commission

cc: Director Joe McInnes, Alabama DOT  
Mr. Jerry Vest, Meridian & Bigbee Railroad

# CHOCTAW COUNTY COMMISSION

117 SOUTH MULBERRY - SUITE 9

BUTLER, ALABAMA 36904

JUDGE D'WAYNE MAY, CHAIRMAN

ALICE C. SMITH, CLERK-TREASURER

## COMMISSIONERS

TONY L. CHERRY, DISTRICT 1

C. D. RUFFIN, DISTRICT 2

## COMMISSIONERS

JOHN BEARD, DISTRICT 3

HENRY LOVETTE, DISTRICT 4

August 25, 2009

The Honorable Ray H. LaHood  
Secretary  
U. S. Department of Transportation  
1200 New Jersey Avenue, SE  
Washington, DC 20590

Re: The Alabama DOT/Meridian & Bigbee Railroad TIGER Grant Request

Dear Secretary LaHood:

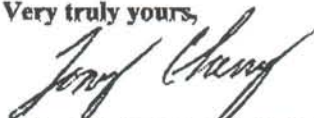
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The Meridian & Bigbee serves the region known as the "Black Belt" of Alabama; an area largely left out of the tremendous economic development that has taken place throughout the rest of Alabama and the Southeastern United States over the last dozen years. The lack of significant industrial development in the Black Belt means the chronic unemployment in the region continues to be an over-arching problem.

A rebuilt Meridian & Bigbee line will provide existing and future industrial companies along its line with faster and more dependable freight service. This, tied with the fact that the railroad connects with three national North American railroads, will significantly increase the attractiveness of sites along the railroad. I believe rebuilding this rail line is a critical step in providing a long term solution to the economic and employment challenges of the Black Belt.

As Commissioner of Choctaw County District 1, I respectfully ask your full consideration and support of the Alabama DOT-Meridian & Bigbee Railroad TIGER grant application.

Very truly yours,



Tony Cherry, Commissioner  
Choctaw County District 1

cc: Director Joe McInnes, Alabama DOT  
Mr. Jerry Vest, Meridian & Bigbee Railroad

# CHOCTAW COUNTY COMMISSION

117 SOUTH MULBERRY - SUITE 9  
BUTLER, ALABAMA 36904  
JUDGE D'WAYNE MAX, CHAIRMAN  
ALICE C. SMITH, CLERK-TREASURER

COMMISSIONERS  
TONY L. CHERRY, DISTRICT 1  
C. D. RUFFIN, DISTRICT 2

COMMISSIONERS  
JOHN BEARD, DISTRICT 3  
HENRY LOVETTE, DISTRICT 4

August 25, 2009

The Honorable Ray H. LaHood  
Secretary  
U. S. Department of Transportation  
1200 New Jersey Avenue, SE  
Washington, DC 20590

Re: The Alabama DOT/Meridian & Bigbee Railroad TIGER Grant Request

Dear Secretary LaHood:


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As Commissioner of Choctaw County District 2, I respectfully ask your full consideration and support of the Alabama DOT-Meridian & Bigbee Railroad TIGER grant application.

Very truly yours,

  
C. D. "Budd" Ruffin, Commissioner  
Choctaw County District 2

cc: Director Joe McInnes, Alabama DOT  
Mr. Jerry Vest, Meridian & Bigbee Railroad

# CHOCTAW COUNTY COMMISSION

117 SOUTH MULBERRY - SUITE 9  
BUTLER, ALABAMA 36904  
JUDGE D'WAYNE MAY, CHAIRMAN  
ALICE C. SMITH, CLERK-TREASURER

COMMISSIONERS  
TONY L. CHERRY, DISTRICT 1  
C. D. RUFFIN, DISTRICT 2

COMMISSIONERS  
JOHN BEARD, DISTRICT 3  
HENRY LOVETTE, DISTRICT 4

August 25, 2009

The Honorable Ray H. LaHood  
Secretary  
U. S. Department of Transportation  
1200 New Jersey Avenue, SE  
Washington, DC 20590

Re: The Alabama DOT/Meridian & Bigbee Railroad TIGER Grant Request

Dear Secretary LaHood:

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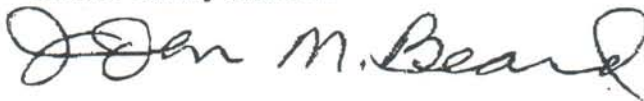
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As Commissioner of Choctaw County District 3, I respectfully ask your full consideration and support of the Alabama DOT-Meridian & Bigbee Railroad TIGER grant application.

Very truly yours,

John M. Beard, Commissioner  
Choctaw County District 3



cc: Director Joe McInnes, Alabama DOT  
Mr. Jerry Vest, Meridian & Bigbee Railroad

# CHOCTAW COUNTY COMMISSION

117 SOUTH MULBERRY - SUITE 9  
BUTLER, ALABAMA 36904  
JUDGE D'WAYNE MAY, CHAIRMAN  
ALICE C. SMITH, CLERK-TREASURER

COMMISSIONERS  
TONY L. CHERRY, DISTRICT 1  
C. D. RUFFIN, DISTRICT 2

COMMISSIONERS  
JOHN BEARD, DISTRICT 3  
HENRY LOVETTE, DISTRICT 4

August 25, 2009

The Honorable Ray H. LaHood  
Secretary  
U. S. Department of Transportation  
1200 New Jersey Avenue, SE  
Washington, DC 20590

Re: The Alabama DOT/Meridian & Bigbee Railroad TIGER Grant Request

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As Commissioner of Choctaw County District 4, I respectfully ask your full consideration and support of the Alabama DOT-Meridian & Bigbee Railroad TIGER grant application.

Very truly yours,



Henry Lovette, Commissioner  
Choctaw County District 4

cc: Director Joe McInnes, Alabama DOT  
Mr. Jerry Vest, Meridian & Bigbee Railroad



# DALLAS COUNTY COMMISSION

P.O. BOX 987

1-334-874-2560 • FAX 1-334-874-2587

SELMA, ALABAMA 36702-0987

**CHAIRMAN**

*Kimbrough L. Ballard*

**COMMISSIONERS**

*Roy Moore*

*Connel Towns*

*Larry Nickles*

*Curtis Williams*

August 24, 2009

The Honorable Ray H. LaHood  
Secretary  
U.S. Department of Transportation  
1200 New Jersey Avenue, SE  
Washington, DC 20590

RE: TIGER Grant Request by Alabama DOT for the Meridian & Bigbee Railroad

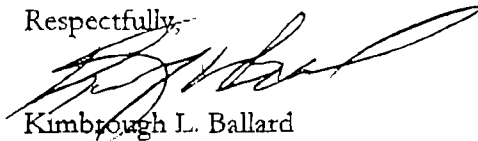
Dear Secretary LaHood:

This letter is to very respectfully ask for your consideration and approval of a TIGER grant request being made by ALDOT to rebuild the rail line through west central Alabama. This line, the Meridian & Bigbee Railroad between Montgomery, Alabama and Meridian, Mississippi, is a key part of our efforts to attract new industries to our region. These new companies are very much needed to address the long term unemployment problems we face. A rebuilt railroad will better connect our region with the rest of the Southeast, the Southwest and Mexico.

Without a TIGER grant, this project is beyond our financial means to start, let alone complete. We need your support for this project.

As Chairman of Dallas County Commission and Probate Judge of Dallas County, Alabama I will greatly appreciate your help in reviewing and approving this project for inclusion in the TIGER grant program.

Respectfully,



Kimrough L. Ballard

Chairman - Dallas County Commission

cc: Director Joe McInnes, Alabama DOT  
Jerry Vest, Meridian & Bigbee Railroad



## Lowndes County Commission

P. O. Box 65  
Hayneville, Alabama 36040  
Phone: 334-548-2331  
FAX: 334-548-5101

### Commissioners

Charlie King, Jr. - Chairman  
Robert Harris  
Joseph Barganier  
Dickson Farris  
Marzett Thomas - Vice Chairman

Jacquelyn J. Thomas  
**Administrator - Treasurer**  
Kimberly West  
**Asst. Administrator - Treasurer**  
Amanda Taylor  
**Chief - Purchasing Clerk**  
Geraldine Ingram  
Clerk  
David Butts  
Engineer

August 28, 2009

The Honorable Ray H. LaHood  
Secretary  
U.S. Department of Transportation  
1200 New Jersey Avenue, SE  
Washington, DC 20590

Re: The Alabama DOT / Meridian & Bigbee Railroad TIGER Grant Request

Dear Secretary LaHood:

Recently it was brought to my attention that Alabama Department of Transportation would be submitting a TIGER grant request to rebuild the main line of the Meridian & Bigbee Railroad in five west central Alabama counties. This project is extremely important to the future of our region. Its impact goes beyond the typical transportation infrastructure project, and is one that could help transform our part of Alabama.

The Meridian & Bigbee serves the region known as the "Black Belt" of Alabama; an area largely left out of the tremendous economic development that has taken place throughout the rest of Alabama and the Southeastern United States over the last dozen years. The lack of significant industrial development in the Black Belt means the chronic unemployment in the region continues to be an over-arching problem.

A rebuilt Meridian & Bigbee line will provide existing and future industrial companies along its line with faster and more dependable freight service. This, tied with the fact that the railroad connects with three national North American railroads, will significantly increase the attractiveness of sites along the railroad. I believe rebuilding this rail line is a critical step in providing a long-term solution to the economic and employment challenges of the Black Belt.

As Chairman of the Lowndes County Commission, I respectfully ask your full consideration and support of the Alabama DOT – Meridian & Bigbee Railroad TIGER grant application.

Yours truly,

  
Chairman

cc: Director Joe McInnes, Alabama DOT  
Mr. Jerry Vest, Meridian & Bigbee Railroad

# MARENGO COUNTY COMMISSION

P.O. Box 480715  
Linden, Alabama 36748  
Phone (334) 295-2200  
Fax (334) 295-2254

MEREDITH HAMMOND  
CLERK

KEN ATKINS  
ENGINEER

August 25, 2009

## MEMBERS

FREDDIE ARMSTEAD  
DEMOPOLIS, AL 36732

KEN TUCKER  
DEMOPOLIS, AL 36732

JOHN CRAWFORD, JR.  
LINDEN, AL 36748

CALVIN MARTIN  
THOMASTON, AL 36783

JERRY LOFTIN  
SWEET WATER, AL 36782

The Honorable Ray H. LaHood  
Secretary  
U.S. Department of Transportation  
1200 New Jersey Avenue, SE  
Washington, DC 20590

Re: The Alabama DOT / Meridian & Bigbee Railroad TIGER Grant Request

Dear Secretary LaHood:

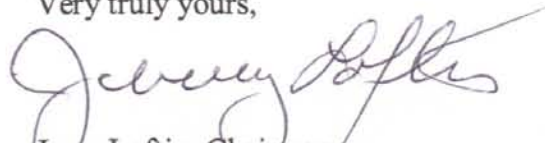
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The Meridian & Bigbee serves the region known as the "Black Belt" of Alabama; an area largely left out of the tremendous economic development that has taken place throughout the rest of Alabama and the Southeastern United States over the last dozen years. The lack of significant industrial development in the Black Belt means the chronic unemployment in the region continues to be an over-arching problem.

A rebuilt Meridian & Bigbee line will provide existing and future industrial companies along its line with faster and more dependable freight service. This, tied with the fact that the railroad connects with three national North American railroads, will significantly increase the attractiveness of sites along the railroad. I believe it rebuilding this rail line is a critical step in providing a long term solution to the economic and employment challenges of the Black Belt.

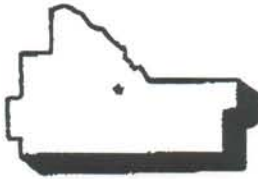
As Chairman of the Marengo County Commission, I respectfully ask your full consideration and support of the Alabama DOT – Meridian & Bigbee Railroad TIGER grant application.

Very truly yours,



Jerry Loftin, Chairman  
Marengo County Commission

cc: Director Joe McInnes, Alabama DOT  
Mr. Jerry Vest, Meridian & Bigbee Railroad



# WILCOX COUNTY COMMISSION

P. O. BOX 488  
12 WATER STREET, SUITE 200  
CAMDEN, ALABAMA 36726  
(334) 682-9112  
FAX (334) 682-9621

August 31, 2009

**ELIJAH SHAW III**  
Chairman/Personnel Officer  
Commissioner  
District No. 4  
Office Phone: 225-4528

**JOHN MATTHEWS**  
Vice Chairman  
Commissioner  
District No. 3  
Office Phone: 682-2021

**MARK H. CURI**  
Commissioner  
District No. 1  
Office Phone: 682-4234

**JOHN R. MOTON, JR.**  
Commissioner  
District No. 2  
Office Phone: 682-2022

**RICKY POWELL**  
Commissioner  
District No. 5  
Office Phone: 682-9842

**REGINALD SOUTHALL**  
Commissioner  
District No. 6  
Home Phone: 963-4984

**FREDRICK POWELL**  
County Engineer  
Office Phone: 682-4725  
Email: wceng2@mchsi.com

**CLARISSA J. DEAR**  
Administrator  
Office Phone: 682-9112  
E-mail: wilcoxco@frontiernet.net

**RAY A. MONTGOMERY**  
Purchasing Agent  
Office Phone: 682-5985  
Email: raym2@frontiernet.net  
Fax: (334) 682-4285

**GEORGE FENDLEY, III**  
County Attorney  
Office Phone: 682-5173

The Honorable Ray H. LaHood  
Secretary, U. S. Department of Transportation  
1200 New Jersey Avenue, SE  
Washington, DC 20590

Re: TIGER Grant Request by ALDOT – Meridian and Bigbee Railroad

Dear Secretary LaHood:

The Wilcox County Commission requests your support of the TIGER Grant application submitted by the Alabama Department of Transportation to rebuild the main line of the Meridian & Bigbee Railroad in Alabama.

The TIGER competitive grant program administered by your department provides a tremendous opportunity to make a long term, game-changing investment in the Black Belt of Alabama. In a region largely overlooked in the past by companies seeking new sites for industrial plants, we need to improve the attractiveness of the region.

With a TIGER grant, Meridian & Bigbee Railroad can replace its main line rail in Alabama, opening this corridor up as a highly efficient corridor connecting the Southeast, Southwest and Mexico. The railroad connects with CSX, KCS and NS, and this will help us attract new industry to our region. The cost of replacing the rail is beyond the financial capabilities of the railroad. The project matches well with the criteria of the TIGER program, and would make a successful public-private partnership effort.

In my capacity as Chairman of the Wilcox County Commission, I respectfully ask your full consideration and support of the Alabama Department of Transportation – Meridian & Bigbee Railroad TIGER grant application.

Sincerely,

Elijah Shaw, III, Chairman  
ESIII/cjd

Cc: Director Joe McInnes, Alabama DOT, Jerry Vest, Meridian & Bigbee Railroad

August 25, 2009

# City of Linden

211 North Main Street  
Linden, Alabama 36748

Phone: 334/295-4121 • 334/295-5051 • (Fax) 334/295-0224

The Honorable Ray H. LaHood  
Secretary

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

Subject: Support of the ALDOT – Meridian & Bigbee Railroad TIGER Grant Request

Dear Secretary LaHood:

It is with great pleasure and, indeed, a sense of pride that I offer this letter of support for the Meridian & Bigbee Railroad's TIGER Grant Request. While it is common for such a letter to be pleasurably submitted, it is quite rare, I would presume, for the composing of such a letter to evoke a sense of pride in the composer. I am delighted to be that rare exception. Allow me to offer a brief explanation as a part of my recommendation.

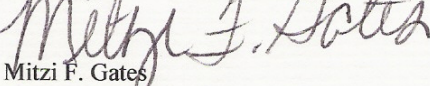
The M&B Railroad is a key economic development asset in the City of Linden, which is the county seat of Marengo County. As the mayor of our fair city, I am keenly aware of the importance of maximizing our assets. One of the greatest selling points of our developing industrial park is its prime location of being positioned between two major railroads – one of them, obviously, the M&B. Linden is poised and ready to attract business and industry, and the M&B Railroad is a major factor in our level of confidence that we will achieve our economic development goals.

Of the largest of the many challenges facing Linden and Marengo County is a lack of high quality industrial sector jobs. This dearth of industrial opportunity in Marengo County contributes to the unemployment levels in the Black Belt consistently being the highest in Alabama and, indeed, in our nation. Within the past year, the leaders of Marengo County have made the most dramatic step toward rising above the aforementioned challenge by forming the Marengo County Economic Development Authority and hiring a professional economic developer to recruit business and industry. It is our economic developer who best knows the promising potential of an asset such as the M&B and, more importantly, how to market such an asset. Her job is more easily accomplished if the M&B is at its peak of operation. I offer this letter (with both pleasure and pride) in an effort to ensure that the M&B is renovated so that it can achieve its full economic potential not only in Linden and Marengo County but also in the entire Black Belt region.

M&B is a "short line" freight railroad running through the heart of Linden as it connects Montgomery, Alabama to Meridian, Mississippi. However, there is nothing "short" about the possible impact this railroad could have on our entire region. The railroad has the potential to become part of a highly efficient corridor between the Southeast and Southwest, as well as between the Southeast and Mexico. It provides direct, open access to three major national railroads. This route has the potential to become a major draw of new industry to locate in the Black Belt region of Alabama – specifically, in the Linden Industrial Park. However, before such potential can be realized, the railroad must be upgraded by replacing light weight and technologically inferior rail on its main line with new, modern and heavier rail. This renovation will improve the speed and reliability of rail service on this line, thereby providing attractive sites such as the Linden Industrial Park along its line for future economic development.

The TIGER grant program provides an excellent opportunity for a public – private partnership to allow the upgrading of this corridor to continue. I sincerely request your support for this project and for the Black Belt region of Alabama. Trusting that you will find M&B a worthy applicant for TIGER funding, I thank you in advance on behalf of Linden and Marengo County.

Sincerely,



Mitzi F. Gates  
Mayor, City of Linden

cc: Director Joe McInnes, Alabama DOT  
Jerry E. Vest, Meridian & Bigbee Railroad



*George Patrick Evans*  
*Mayor*

*Office of Mayor*  
*Selma, Alabama*

August 21, 2009

The Honorable Ray H. LaHood  
Secretary  
U.S. Department of Transportation  
1200 New Jersey Avenue, SE  
Washington, DC 20590

Re: Support of the ALDOT – Meridian & Bigbee Railroad TIGER Grant Request

Dear Secretary LaHood:

I am writing requesting your consideration and support of the TIGER grant request being submitted by Alabama Department of Transportation for the replacement of rail on the main line of the Meridian & Bigbee Railroad (M&B RR).

As Mayor of the City of Selma, I see first hand the needs of our region of Alabama. Unemployment levels in Selma and surrounding counties are approaching 20% and are among the highest in the nation. Because of the lack of industrial development and jobs, personal income levels are among the lowest in the nation. While the City of Selma, along with the Dallas County Commission, the Selma & Dallas County EDA and the Chamber of Commerce, has been working diligently to address many of the reasons for this lack of new companies locating in this area, improving the M&B RR rail corridor is an effort we greatly need federal help to handle.

With a TIGER grant, M&B RR can replace its main line rail in Alabama, opening this corridor up as a highly efficient corridor connecting the Southeast, Southwest, and Mexico. The railroad connects with CSX, KCS and NS, and this will help us attract new industry to our region.

Without a TIGER grant, this project is beyond our financial means to start, let alone complete. We need your support for this project.

The Honorable Ray H. LaHood  
August 21, 2009  
Page 2

We look forward to seeing you at our ribbon cutting once this effort is done!

Respectfully,



George Patrick Evans  
Mayor  
City of Selma

cc: Director Joe McInnes, Alabama DOT  
Jerry E. Vest, Meridian & Bigbee Railroad





## ALABAMA-TOMBIGBEE REGIONAL COMMISSION

107 Broad Street  
Camden, Alabama 36726

(334) 682-4234  
Fax  
(334) 682-4205

JOHN CLYDE RIGGS  
Executive Director

August 21, 2009

The Honorable Ray H. LaHood  
Secretary  
U. S. Department of Transportation  
1200 New Jersey Avenue, SE  
Washington, DC 20590

RE: TIGER Grant Request by Alabama DOT for the Meridian & Bigbee Railroad

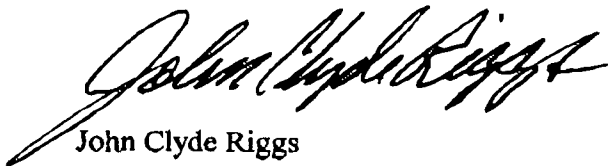
Dear Secretary LaHood:

This letter is to very respectfully ask for your consideration and approval of a TIGER grant request being made by ALDOT to rebuild the rail line through west central Alabama. This line, the Meridian & Bigbee Railroad between Montgomery, Alabama and Meridian, Mississippi, is a key part of our efforts to attract new industries to our region. These new companies are very much needed to address the long term unemployment problems we face. A rebuilt railroad will better connect our region with the rest of the Southeast, the Southwest and Mexico.

As Executive Director of the Alabama-Tombigbee Regional Commission, which works for and with Dallas, Wilcox, Marengo and Choctaw County, I will greatly appreciate your help in reviewing and approving this project for inclusion in the TIGER grant program.

Respectfully,

ALABAMA-TOMBIGBEE REGIONAL COMMISSION



John Clyde Riggs  
Executive Director

JCR: ejm

cc: Director Joe McInnes, ALDOT  
Jerry Vest, Meridian & Bigbee Railroad



September 1, 2009

The Honorable Ray H. LaHood, Secretary  
U.S. Department of Transportation  
1200 New Jersey Avenue, SE  
Washington, DC 20590

Subject: Support of the ALDOT – Meridian & Bigbee Railroad TIGER Grant Request

Dear Secretary LaHood:

As Executive Director of the Selma & Dallas County Economic Development Authority and President of the Centre for Commerce, I am asking for consideration and support for a TIGER grant application you will soon be receiving from the Alabama Department of Transportation. The project, replacement of the rail on the main line of the Meridian & Bigbee Railroad (M&B) through west central Alabama, is a key component to our efforts to attract new industry and jobs to our region.

Selma and Dallas County are in the heart of the Alabama Black Belt. This region suffers from chronic unemployment. The state and region are focused on addressing this situation, but part of the solution is improving our transportation infrastructure. This is why the M&B rail TIGER rail project is so important to us. Bringing this rail line up to modern freight standards will open up two major projects that I believe are cornerstones in helping Selma, Dallas County, and the entire Alabama Black Belt region:

- First, we can move forward with efforts to make Selma a truly multi-modal center. There are two locations southeast of Selma on the M&B that are "shovel ready" to construct an intermodal terminal. This terminal would directly compliment the significant sites available in and around the Craig Field Airport and Industrial Complex currently available for distribution centers, build off of the highway projects, and airport improvements already underway in our region. Attached is a site map of one of the potential intermodal sites located in the Craig Industrial Park that we feel would work.
- Second, our efforts to land a major industrial sector facility in Dallas County will be significantly enhanced. The M&B can provide efficient and unbiased access to three major freight railroads: CSX Transportation, Kansas City Southern Railway, and Norfolk Southern. Once the rail line is upgraded, this will be a major draw for any company requiring rail service. One of our available sites served by M&B is the "South Dallas Godwin Site." This prime location is one of only nine AdvantageSites designated in Alabama that is ready for immediate development. Attached is an aerial map of this property.

While the owner of the railroad has invested tremendously into this line since its purchase in 2005, upgrading the M&B is beyond the financial ability of either the railroad or the state. The TIGER grant program provides an excellent opportunity for a public – private partnership to allow work upgrading this corridor to continue, and I sincerely request your support for this project, and for the Black Belt region of Alabama.

Sincerely,

M. Wayne Vardaman  
Executive Director

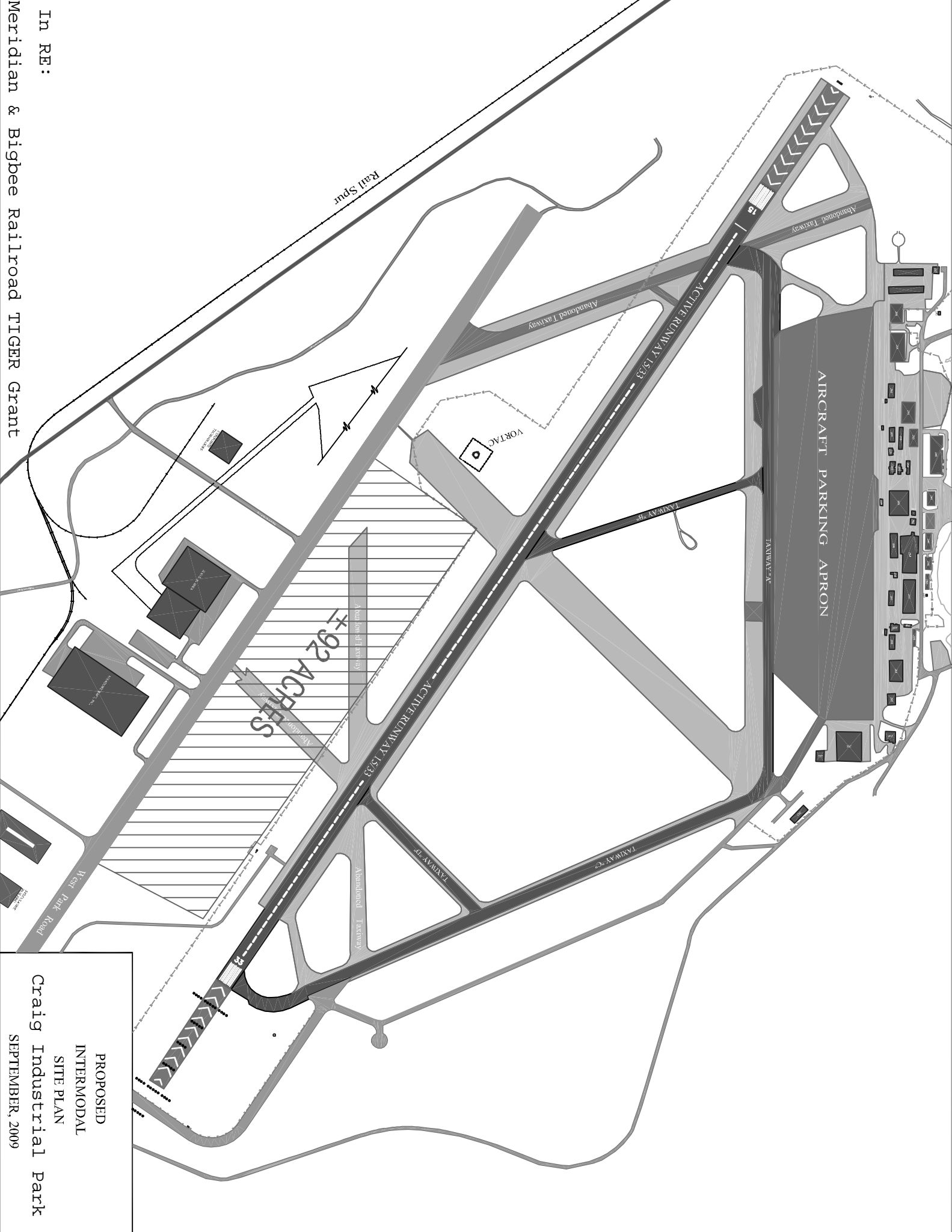
#### ATTACHMENTS

cc: Director Joe McInnes, Alabama DOT  
Jerry E. Vest, Meridian & Bigbee Railroad

**Together We Work**

912 Selma Avenue | Selma, Alabama 36701  
334-875-8365 bus | 334-875-8453 fax  
vardaman@selmaeda.com | www.SelmaEDA.com

In RE:  
Meridian & Bigbee Railroad TIGER Grant



PROPOSED  
INTERMODAL  
SITE PLAN  
Craig Industrial Park  
SEPTEMBER, 2009



41

South Dallas  
Industrial Park

Realty

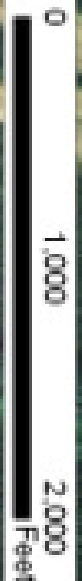
145

54 Additional Acres  
Available

55 Additional Acres  
Available



South Dallas Godwin Site  
190 Acres





# **Craig** FIELD AIRPORT AND INDUSTRIAL AUTHORITY

---

Building 48 • Craig Field  
Post Office Box 1421  
Selma, AL 36702-1421  
Voice (334) 874-7419  
Fax (334) 874-8225  
craigairport@bellsouth.net

August 28, 2009

The Honorable Ray H. LaHood  
Secretary  
U.S. Department of Transportation  
1200 New Jersey Avenue, S.E.  
Washington, DC 20590

RE: The Alabama DOT / Meridian & Bigbee Railroad TIGER Grant Project

Dear Secretary LaHood:

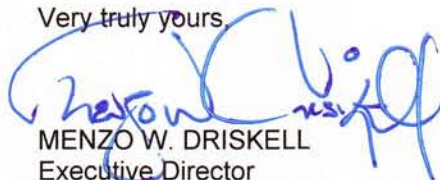
I am Executive Director of Craig Field Airport and Industrial Authority, located just east of Selma, Alabama in Dallas County. Our facility is a decommissioned military base, converted to public use in 1978. Since that time we have worked to capitalize on this great facility, working to make it a catalyst of job growth for Dallas County and the entire Black Belt region.

Unfortunately, our region suffers from a long term unemployment problem. Current unemployment rates for the counties making up the Black Belt are in the 20+% range; much higher than either the national or Alabama state averages. One major reason for these chronically high unemployment levels is the historic lack of transportation infrastructure in Dallas County. While we have worked hard to upgrade Craig Field Airport for industrial purposes and Alabama DOT is working to upgrade our major east – west highway, U.S. 80, the condition of the Meridian & Bigbee Railroad (M&B) main line remains an inhibition in our efforts to attract new industry to the area in general, and specifically our industrial park.

One immediate opportunity we have is to develop an intermodal terminal either within the Craig Field Industrial Park or on a rail – served property close to it. Within our industrial park we have a great site for such a terminal (map of site attached). Such a terminal will help us bring other development to the area, specifically distribution centers. We believe that the terminal will compliment the other multi-modal aspects of our complex, and become a major draw to industry to the Black Belt. To do this, we need the M&B main line brought up to modern industry standards.

We need your help. Your support and approval of the TIGER grant application being made by Alabama Department of Transportation for the upgrading of the M&B main line is extremely important to the economic future of the Black Belt, and will be greatly appreciated.

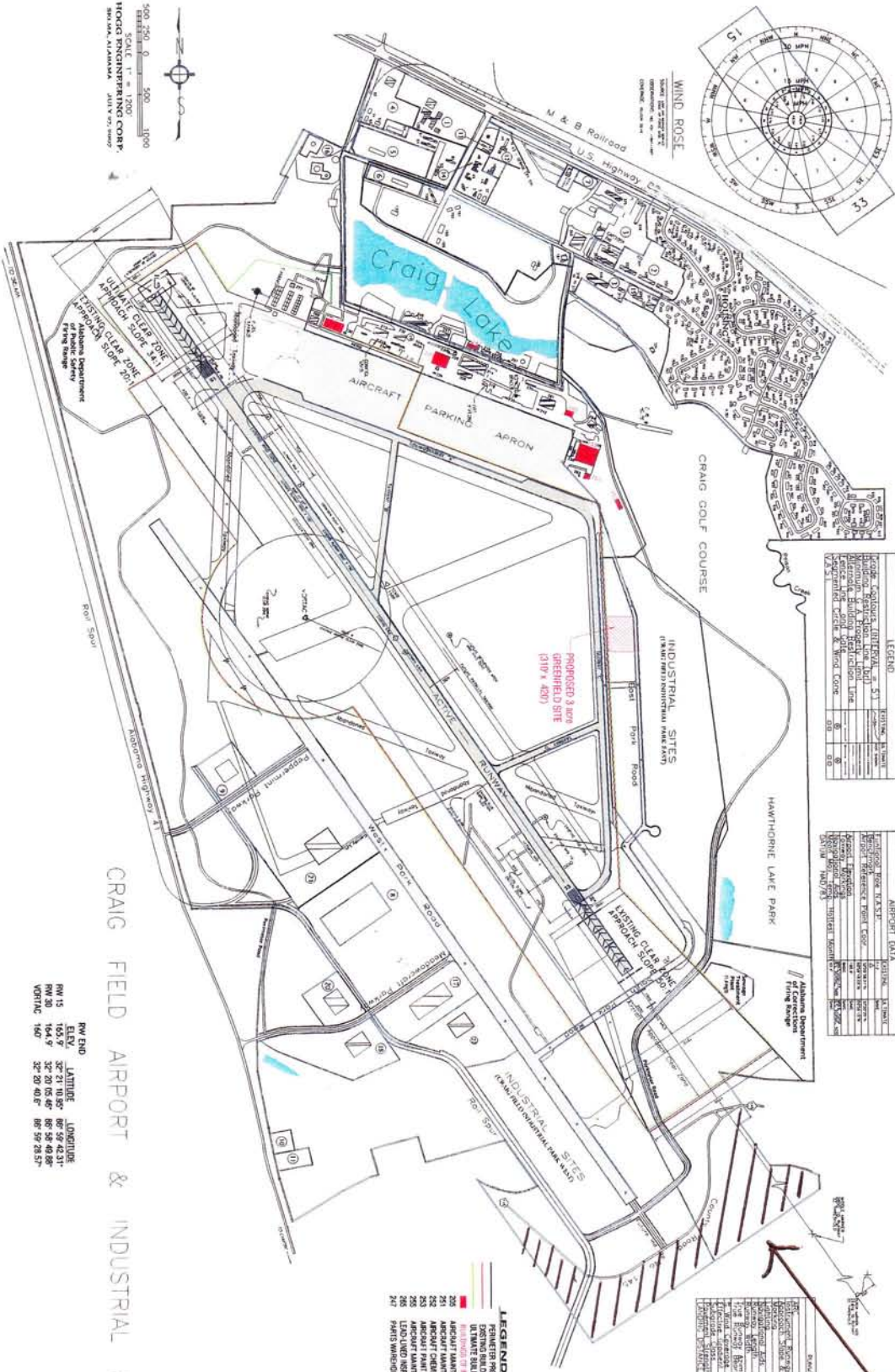
Very truly yours,



MENZO W. DRISKELL  
Executive Director

MWD/pma  
Attachment

cc: Director Joe McInnes, Alabama DOT  
Jerry E. Vest, Meridian & Bigbee Railroad



**LEGEND**

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**AIRPORT DATA**

FAA IDENTIFICATION	FAA IDENTIFICATION	FAA IDENTIFICATION	FAA IDENTIFICATION
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**CRAIG FIELD AIRPORT & INDUSTRIAL AUTHORITY**

**RW 500**

RW 15	145.5'	32° 21' 00.00"	86° 58' 42.31"
RW 30	144.9'	32° 20' 05.46"	86° 58' 40.88"
VERTICAL	140'	32° 20' 40.67"	86° 59' 28.57"

**LEGEND**

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**97 +/- ACRE SITE**



4344 Highway 41 South  
Selma, AL 36701  
(P) 334-418-0005  
(F) 334-418-0010  
www.alfordandassoc.com

August 25, 2009

The Honorable Ray H. LaHood  
Secretary  
U.S. Department of Transportation  
1200 New Jersey Avenue, SE  
Washington, DC 20590

RE: TIGER Grant Request by Alabama DOT for the Meridian & Bigbee Railroad

Dear Secretary LaHood:

This letter is to very respectfully ask for your consideration and approval of a TIGER grant request being made by ALDOT to rebuild the rail line through west central Alabama. This line, the Meridian & Bigbee Railroad between Montgomery, Alabama and Meridian, Mississippi, is a key part of our efforts to attract new industries to our region; these new companies are very much needed to address the long term unemployment problems we face. A rebuilt railroad will better connect our region with the rest of the Southeast, the Southwest and Mexico.

As Manager of South Dallas Industrial Park, which is served by Meridian & Bigbee Railroad, I will greatly appreciate your help in reviewing and approving this project for inclusion in the TIGER grant program.

Respectfully,

A handwritten signature in cursive script that reads 'George F. Alford, Jr.' The signature is written in dark ink and is positioned above the printed name and title.

George F. Alford, Jr.  
Manager, South Dallas Industrial Park

cc: Director Joe McInnes, Alabama DOT  
Jerry Vest, Meridian & Bigbee Railroad



**BROTHERHOOD OF MAINTENANCE OF WAY EMPLOYEES DIVISION**  
of the International Brotherhood of Teamsters

*Allied Federation*

Dennis R. Albers  
General Chairman 315 West Main Street, Suite 20, Hendersonville, TN 37075  
(615) 338-0027 Fax (615) 338-0209

August 31, 2009

The Honorable Ray H. LaHood  
Secretary  
U.S. Department of Transportation  
1200 New Jersey Avenue, SE  
Washington, DC 20590

Subject: TIGER Grant Request by Alabama DOT / Meridian & Bigbee Railroad

Dear Secretary LaHood:

I am the General Chairman, Allied Federation, Brotherhood of Maintenance of Way Division of the International Brotherhood of Teamsters, representing the men on the Meridian & Bigbee Railroad responsible for maintenance and repairs of the track on the railroad. My fellow workers and I know first hand how difficult it is for our railroad to provide efficient and reliable service due to the old, lightweight, and worn out rail on our railroad in Alabama. While we have done a lot of work over the last few years to fix up the M&B, the cost of replacing the main line rail is beyond the capabilities of the railroad.

We also know first hand the economic difficulties faced by the communities served by the M&B in Alabama, a region known as the "Black Belt." Extremely high levels of unemployment and a lack of new job opportunities plague the Black Belt, and this problem predates the current recession. Most folks would call the levels of unemployment we face a depression, not a recession.

My brothers in the BMWWE and me also know that the M&B can be part of the solution to our difficulties in the Black Belt. By replacing the worn out rail with new, modern rail, our railroad can provide the levels of service needed to support our existing customers, and attract new ones to the communities we serve.

Based on all this, I strongly ask for your support of a TIGER Grant request being made by Alabama DOT to replace the main line rail on the M&B. This will greatly help the Black Belt, and allow us to be part of the economic solution our region desperately needs.

Very truly yours,

Dennis Albers, General Chairman  
Allied Federation, BMWED-IBT

DRA/jb

cc: Director Joe McInnes, Alabama DOT  
Jerry Vest, Meridian & Bigbee Railroad



**Alabama DOT**  
**Meridian and Bigbee Railroad**  
**Alabama Black Belt Infrastructure and Development Project**  
**Project Cost Detail**

Items	Qty	Units	Unit Price	Total Cost
<b>Preliminary</b>				
Administration (Third Party Contractor)				\$200,000.00
Engineering and Project Management		8% contingency		\$4,782,178.00
Alabama DOT Admin / Grant Oversight				\$700,000.00
<b>Prelim. Total</b>				<b>\$5,682,178.00</b>

<b>Labor</b>				
New Rail Installation 115RE	380	days	\$6,000.00	\$2,280,000.00
Welding	312	each	\$375.00	\$117,000.00
Turnout Installation	39	each	\$4,500.00	\$175,500.00
Diamond Installation	2	each	\$6,000.00	\$12,000.00
Road Crossing Rebuilding and Repair	126	each	\$1,200.00	\$151,200.00
Surfacing	125	miles	\$3,965.00	\$495,625.00
Surfacing (turnouts)	39	each	\$1,500.00	\$58,500.00
Internal Labor (Flagging, Inspection, Signals)	5500	hours	\$30.00	\$165,000.00
Internal Misc. (Eqpmt, Vehicle, Lodging)	1	net	300,000	\$300,000.00
<b>Labor Total</b>				<b>\$3,754,825.00</b>

<b>Materials</b>				
Rail 115RE	25,330	tons	\$1,300.00	\$32,929,000.00
Thermite Weld (turnouts)	312	each	\$75.00	\$23,400.00
Electric Flash-Butt Weld	918	each	\$750.00	\$688,500.00
Tie Plate (14-3/4")	881,000	each	\$12.00	\$10,572,000.00
Tie Plate (18")	4000	each	\$17.00	\$68,000.00
Spikes (5/8" x 6")	1,514,750	each	\$1.50	\$2,272,125.00
Anchors	1,081,000	each	\$2.25	\$2,432,250.00
Joint Bars	400	pair	\$60.00	\$24,000.00
Bolts/Nuts (1" x 6")	2000	each	\$3.15	\$6,300.00
Washers	2000	each	\$0.75	\$1,500.00
Liquid Tie Plug (SpikeFast)	12,500	gallons	\$190.00	\$2,375,000.00
Turnout (#10 RBM)	39	each	\$45,000.00	\$1,755,000.00
Ballast (turnouts)	3900	tons	\$28.00	\$109,200.00
Ballast (surfacing)	62500	tons	\$28.00	\$1,750,000.00
Crossties	2000	each	\$38.00	\$76,000.00
Asphalt (road crossing patch)	800	tons	\$54.00	\$43,200.00
Highway grade crossing replacement	2000	feet	\$1,500.00	\$3,000,000.00
Railroad at-grade crossing	2	each	\$170,000.00	\$340,000.00
Insulated Joints (bonded epoxy)	60	each	\$1,100.00	\$66,000.00
Salvage Old Rail	1,321,500	feet	(\$2.05)	(\$2,709,075.00)
<b>Material Total</b>				<b>\$55,822,400.00</b>

**Project Total**      **\$65,259,403.00**



# **Industrial Opportunities for the Freight Corridor through the Black Belt Region of Alabama**

## **Final Report By:**

Office for Freight, Logistics, and Transportation  
Center for Management & Economic Research

### **Researchers:**

Jeff Thompson  
Lisa Blanchard  
Karen Yarbrough

**September 2009**

Office for Freight, Logistics, and Transportation  
**Center for Management & Economic Research (CMER)**  
The College of Business Administration Research Center

**UAHuntsville**

# Industrial Opportunities for the Freight Corridor through the Black Belt Region of Alabama

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# **Industrial Opportunities for the Freight Corridor through the Black Belt Region of Alabama**

## **Executive Summary**

The Black Belt region, a geographically referenced area comprised of counties within the states of Alabama and Mississippi noted for its poverty, low education levels, and lack of jobs, has historically lacked the industrial growth and success of other parts of Alabama or the Southeast U.S. The southeast region of the country, in particular the State of Alabama, has enjoyed numerous economic development successes over the past decade but the Black Belt has not experienced much impact from these projects.

The University of Alabama in Huntsville Office for Freight, Logistics, and Transportation was commissioned by the Meridian & Bigbee Railroad to analyze the freight corridor through the Black Belt region. The purpose of the analysis is to estimate the growth of freight over the next 20 years within and through the Black Belt Region of Alabama freight corridor and to find how rail freight transportation may contribute to the region's economic growth. The results of this analysis are summarized in this report.

## **1. Introduction**

The transportation of goods from sources of raw materials through the manufacturing processes to the consumer has always been an important component of successful economic growth. Transportation systems made it possible for the U.S. economy to change from a primarily agricultural-based to industrial-based economy. The migration of the population to industrial centers made it even more important that transportation networks be able to keep the raw materials, food, finished goods, etc. flowing to and between the markets. Roads, rail, water, and air transportation systems made it possible for the U.S. economy to become a global manufacturing powerhouse by the 20<sup>th</sup> century. It is with this development in mind that Alabama must ensure that its transportation network continues to provide links to markets across the U.S., North America, and around the globe.

## **2. Economic Challenges of the Black Belt**

The Black Belt region of Alabama is located across twelve counties in the central region of the state. It is so named because of its rich black soil. Since its agricultural prominence before the Civil War, the Black Belt has not enjoyed the industrial growth and success of other parts of Alabama or the Southeast U.S. Unemployment can be twice the rate of nearby counties in Alabama and Mississippi. Population continues to leave for better opportunities, while “poverty

grinds away at many of its citizens”. Alabama Governor Bob Riley’s Black Belt Action Commission was formed in 2004 to “measurably improve the quality of life in Alabama/s Black Belt region...”. When this Commission kicked-off its efforts, a survey of Black Belt adult residents found that the [lack of] jobs and industry to be the major problem facing the region.<sup>1</sup>

The top five problems identified in the survey with the percentages of response for each are:

- Jobs/Industry 30%
- Roads 13%
- Schools/Education 11%
- Drugs/Crime 7%
- Local Government 4%

Poverty conditions still exist while industry literally passes by or through the Black Belt. Freight transportation networks such as the Meridian & Bigbee (M&B) railroad cross the Black Belt moving vital goods into, out of, and through the region. The links provided by the transportation network are not only critical to the residents today but may play an important role in keeping the Black Belt region from once again missing out on the industrial growth that lies ahead for the Southeast U.S.

### 3. Economic Areas

No county or state economy is self-contained. The trade of goods and services outside the county or state is vitally important to its economic success. Regions of interdependent economic activity have been defined in many ways. Micropolitan Areas, Metropolitan Areas, and Economic Areas are three ways in which regions are distinguished for economic analysis.

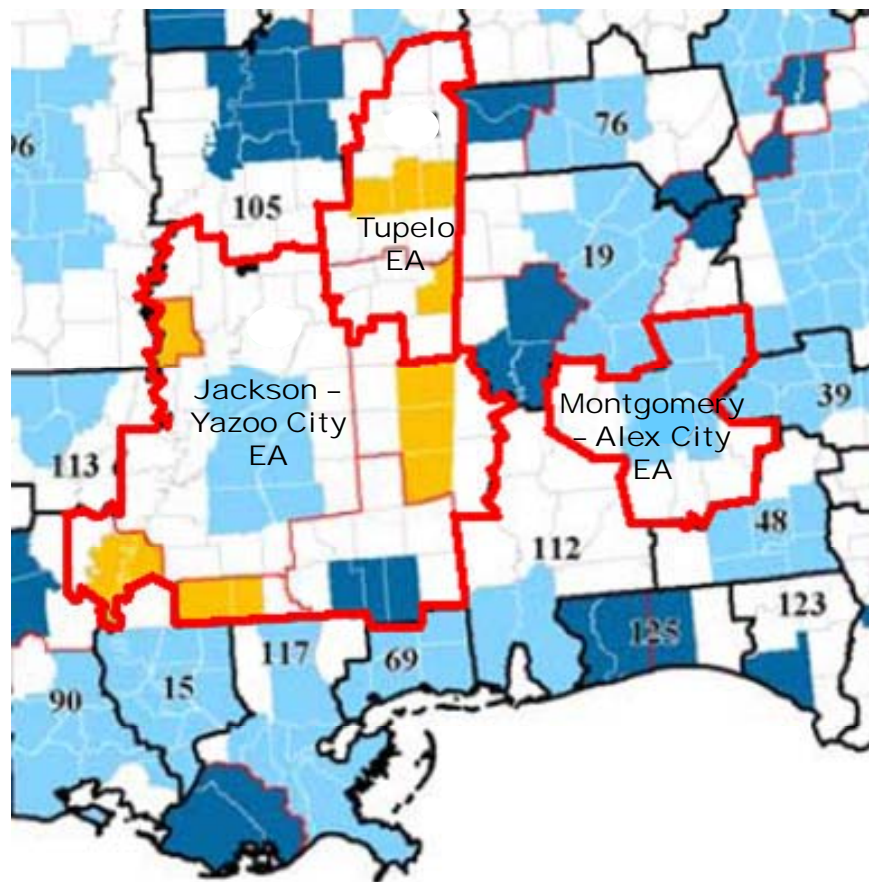
The U.S. Bureau of Economic Analysis defines geographic areas into regional economic markets. This regional definition which is broader than metropolitan areas or micropolitan areas may be used to better represent the economic activity of a region. The geographic area defined by an economic area can represent the basin for industrial supply-chain geography and business to business trading relationships especially when heavy and/or bulky materials and goods must be transported.

“BEA's economic areas define the relevant regional markets surrounding metropolitan or micropolitan statistical areas. They consist of one or more economic nodes - metropolitan or micropolitan statistical areas that serve as regional centers of economic activity - and the surrounding counties that are economically related to the nodes. The economic areas were redefined on November 17, 2004, and are based on commuting data from the 2000 decennial population census, on redefined statistical areas from OMB (February 2004), and on newspaper circulation data from the Audit Bureau of Circulations for 2001.”<sup>2</sup>

There are three primary economic areas relevant to the Black Belt freight corridor market regions in Alabama and Mississippi.<sup>3</sup>

- Montgomery – Alexander City, Alabama
- Jackson – Yazoo City, Mississippi
- Tupelo, Mississippi

The Mobile- Daphne-Fairhope, AL Economic Area (112) is not selected as much of the freight activity is located on the southern end of the area and the robust transportation infrastructure in the Mobile City area should continue to attract the freight in this region. Likewise, the Birmingham-Hoover-Cullman, AL Economic Area (19) is not included due to the ample transportation infrastructure for east-west freight should continue to attract freight in this region.



**Figure 3.1. Three primary economic areas relevant to AL/MS Black Belt freight corridor market**

The metropolitan and micropolitan areas represented in these three economic areas are noted in Table 3.1.<sup>4</sup>

**Table 3.1. Metropolitan and Micropolitan areas within AL/MS Black Belt Freight Corridor Market economic areas**

Economic Area	Metropolitan Areas	Micropolitan Areas	2007	
			Population	Per Capita Personal Income
<b>Montgomery - Alexander City, AL</b>			<b>546,348</b>	<b>\$31,866</b>
	Montgomery	Troy		
		Selma		
		Alexander City		
<b>Jackson - Yazoo City, MS</b>			<b>1,685,440</b>	<b>\$28,047</b>
	Jackson	Brookhaven		
	Hattiesburg	Cleveland		
		Greenville		
		Greenwood		
		Grenada		
		Indianola		
		Laurel		
		McComb		
		Meridian		
		Natchez		
		Warren		
		Yazoo City		
<b>Tupelo, MS</b>			<b>537,429</b>	<b>\$26,015</b>
		Tupelo		
		Columbus -		
		Corinth		
		Itawamba		
		Pontotoc		
		Starkville		
Source: U.S. Census Bureau and U.S. Bureau of Economic Analysis				



## 4. Industrial Clusters

The concept of Industrial Clusters was developed through the research of Michael Porter, Ph.D. of the Harvard Business School. Specifically, “Traded Industry Clusters” represent relationships that exist in a geographic region among businesses that produce products or services that are “traded” with or consumed by other geographic regions. The Institute for Strategy and Competitiveness at the Harvard Business School collects data and performs research on industry relationships. This research has identified major industry clusters for each Economic Area of the U.S. Although employment and local concentrations of businesses are important factors in selecting these clusters, other factors such as economic significance are utilized in the selection of a major cluster.<sup>5</sup> Transportation is important in many industry clusters as raw materials, intermediate products, and final products must be transported to the next step along the supply chain until the final product is delivered to the end-user/consumer.

The Meridian & Bigbee Railroad directly serves an important region of Alabama and Mississippi. To a greater extent, the M&B Railroad in the Black Belt region of Alabama serves large freight corridors on either side of Alabama and Mississippi. The railroad infrastructure, which is mostly controlled by Class I railroads like Norfolk Southern, Kansas City Southern, and CSX, makes this an important corridor for rail freight.

### 4.1. Montgomery – Alexander City, AL Economic Area

The major industry clusters in the Montgomery –Alexander City, AL Economic Area as defined by the Institute for Strategy & Competitiveness are listed below.<sup>6</sup>

#### *Major Industry Clusters*

- Automotive
- Plastics
- Building, Fixtures, Equipment & Services
- Distribution Services
- Heavy Construction Services
- Apparel
- Textiles
- Forest Products
- Furniture
- Heavy Machinery
- Construction Materials
- Agricultural Products

#### 4.2. Jackson – Yazoo City, Mississippi Economic Area

The major industrial clusters in the Jackson – Yazoo City, MS Economic Area as defined by the Institute for Strategy & Competitiveness are noted below.<sup>7</sup>

##### *Major Industry Clusters*

- Power Generation
- Motor Driven Products
- Forest Products
- Heavy Construction Services
- Automotive
- Fishing & Fishing Products
- Furniture
- Apparel
- Oil & Gas Products & Services
- Agricultural Products
- Construction Materials
- Heavy Machinery
- Biopharmaceuticals
- Production Technology
- Building, Fixtures, Equipment & Services
- Chemical Products
- Plastics

#### 4.3. Tupelo, Mississippi Economic Area

The major industrial clusters in the Tupelo, MS economic area as defined by the Institute for Strategy & Competitiveness are compiled below.<sup>8</sup>

##### *Major Industry Clusters*

- Furniture
- Building Fixtures, Equipment & Services
- Plastics
- Processed Food
- Heavy Construction Services
- Sporting, Recreational & Children's Goods
- Prefabricated Enclosures
- Apparel
- Construction Materials
- Textiles
- Forest Products
- Metal Manufacturing
- Chemical Products
- Agricultural Products
- Automotive
- Production Technology
- Heavy Machinery

## 5. Black Belt Industrial Development Opportunities Requiring Rail Services

Opportunities for economic growth can arise from many sources. Existing companies may capture a larger share of their market(s) or enter an entirely new market. New companies may choose to locate a new or relocate an existing plant to realize the benefits available from operating in a particular region. Regardless the reason, companies must consider the suitability of a location in both the short-term start-up and the over longer-term horizons. “Ready-to-go” industrial sites with the necessary attributes such as access to rail transportation and robust industry clusters in or accessible from the region that directly relate to the company’s supplier, vendor, and customer networks can make a difference in capturing industrial projects. Of course, being ready at the right time to take advantage of the opportunity should not be discounted in the success formula. The Black Belt region has positive attributes with which to encourage growth. Understanding the industry clusters on either end of the Black Belt freight corridor and leveraging access to industrial sites in the region suitable for these clusters can increase the industrial development opportunities available to the region.

### 5.1. Major Industry Clusters Summary

Utilizing the major industry clusters of the three economic areas identified by the Harvard Institute for Strategy and Competitiveness and consolidating them, a matrix has been compiled which summarizes the industrial markets.<sup>9</sup> This matrix is demonstrated in Table 5.1 along with further segmentation of these markets into “**Now Serving**” and “**Potential**” markets. The table also exhibits ranking based on employment which provides an perspective on the significance to the Alabama and Mississippi economies dependent on transportation infrastructure especially fully functional railroads.

The matrix in Table 5.1 highlights whether a particular cluster is now being served by the M&B Railroad (shown in green), is a cluster with potential for rail transportation services growth (shown in blue), or if the cluster is present in the economic area but not necessarily a primary user of rail services (shown in yellow).

**Table 5.1. Major Industry Clusters in the Geographic Corridor**

Major Industry Clusters in the Geographic Corridor*	Montgomery - Alexander City, AL	Jackson-Yazoo City, MS	Tupelo, MS	Employment*
Furniture	Now Serving	Now Serving	Now Serving	31,190
Heavy Construction Services				24,425
Automotive	Potential	Potential	Potential	22,701
Distribution Services	Potential	Potential	Potential	13,212
Processed Food	Now Serving	Now Serving	Now Serving	11,995
Plastics	Now Serving	Now Serving	Now Serving	11,275
Building Fixtures, Equipment & Services				10,809
Motor Driven Products				10,400
Forest Products	Now Serving	Now Serving	Now Serving	8,630
Metal Manufacturing	Now Serving	Now Serving	Now Serving	7,832
Power Generation & Transmission				6,240
Apparel				5,220
Oil & Gas Products		Now Serving		5,107
Heavy Machinery	Now Serving	Now Serving	Now Serving	4,696
Production Technology				4,490
Prefabricated Enclosures				4,235
Agricultural Products	Potential	Potential	Potential	3,610
Fishing & Fishing Products				3,357
Textiles				3,175
Chemical Products		Now Serving	Now Serving	3,130
Construction Materials	Now Serving	Now Serving	Now Serving	2,855
Biopharmaceutical				1,805
Sporting, Recreational & Children's Goods				1,300

\* Michael Porter, Ph.D., Harvard Institute for Strategy & Competitiveness, August 21, 2009. [www.isc.hbs.edu](http://www.isc.hbs.edu)

The employment levels associated with industry clusters served by rail in Table 5.1 discloses how rail transportation is an important component for much of the industrial base of the Southeast U.S. region. Currently, the M&B is serving at least nine industrial clusters among the 23 major industrial clusters across the region.<sup>10</sup> The nine industrial clusters now being served by the M&B are:

- Chemical Products
- Construction Materials
- Forest Products
- Furniture
- Heavy Machinery
- Metal Manufacturing
- Oil & Gas Products
- Plastics
- Processed Food

There are three additional industry clusters, highlighted in Table 5.1 as “Potential” markets, which often use rail transportation that could be growth opportunities for the M&B railroad corridor through the Black Belt. As the industries in these three clusters grow and/or seek alternative transportation services, rail transportation could become an important requirement for many companies. The three additional clusters are:

- Automotive – raw materials, parts, tooling, finished automobiles, etc. (22,701 jobs)
- Distribution Services – warehousing, third party logistics, etc. (13,212 jobs)
- Agricultural Products – grains, livestock, etc. (3,610 jobs)

The recognition by the Institute for Strategy & Competitiveness at Harvard University of these three as major industry clusters coupled with the combined employment level of 39,523 reflected in Table 5.1, suggest that all three of these clusters are significant to the Alabama and Mississippi economies today and their relative importance to both states could grow as the global marketplace evolves.

Additionally, the freight volumes handled in the Atlanta, Georgia Economic Area could create opportunities driven by logistics changes and challenges. For instance, distribution service operations are now handling significant volumes of freight originating in and/or destined for the East coast through Southwest U.S. including Mexico. With significant freight, especially containerized freight, now being moved through the Southern U.S. rail corridor, the regions now being served by the M&B Railroad could be prime areas for distribution service companies to expand or open a new facility. The logistics advantages of avoiding congestion can increase in priority as energy costs rise and/or inventory management networks are reorganized.

## 5.2. Industrial Sites

Alabama has multiple industrial parks and sites with rail access to either the M&B or other railroads that connect with the M&B available in the Black Belt freight corridor. These sites range in size from a mega site of 700 acres down to 5 acre lots suitable for a single building. Most of this acreage has access to rail service and/or is in close proximity to potential intermodal yards. In some cases, sites have access to road, rail, and water transportation. Industrial sites with ready access to three or more modes of transportation are important assets for the state and local economic development authorities. The Alabama Power Building and Sites Database lists the available industrial sites and parks in this corridor in Table 5.2 below.<sup>11</sup>

**Table 5.2. Industrial Sites Along the Corridor Served by the M&B Railroad**

Industrial Sites Along the Corridor Served by the M&B Railroad						
Industrial Site	City	County	Closest Rail Service	Rail Service Status	Zoned	Total Acreage
Airport Industrial Park	Demopolis	Marengo	Norfolk Southern	spur available	Agriculture	45
Bell Road Industrial Park	Selma	Dallas	Norfolk Southern	adjacent track	Light Industrial	198
Butler Industrial Park	Butler	Choctaw			Light Industrial	80
Craig Industrial Park	Selma	Dallas	M&B Railroad	spur available	Light Industrial	700
Industrial Park South	Demopolis	Marengo	BNSF	< 1500ft	Heavy Industrial	60
Linden Industrial Park	Linden	Marengo	A & G Railroad Co	adjacent track	Heavy Industrial	250
Selfield Industrial Park	Selma	Dallas	Norfolk Southern	adjacent track	N/A	114
South Dallas Build-to-Suit	Selma	Dallas	M&B Railroad	< 3000ft	N/A	10
South Dallas Godwin Site - ADVANTAGE SITE	Selma	Dallas	M&B Railroad	< 500ft	Heavy Industrial	305
South Dallas Industrial Park	Selma	Dallas	M&B Railroad	adjacent track	Light Industrial	600
Tombigbee Industrial Site	Demopolis	Marengo	A & G Railroad Co	spur available	Heavy Industrial	51

Source: Alabama Power Building & Site Searches [www.amazingalabama.com/data/siteportal.aspx](http://www.amazingalabama.com/data/siteportal.aspx)

## 6. Significance of an East-West Freight Corridor in the Black Belt Region

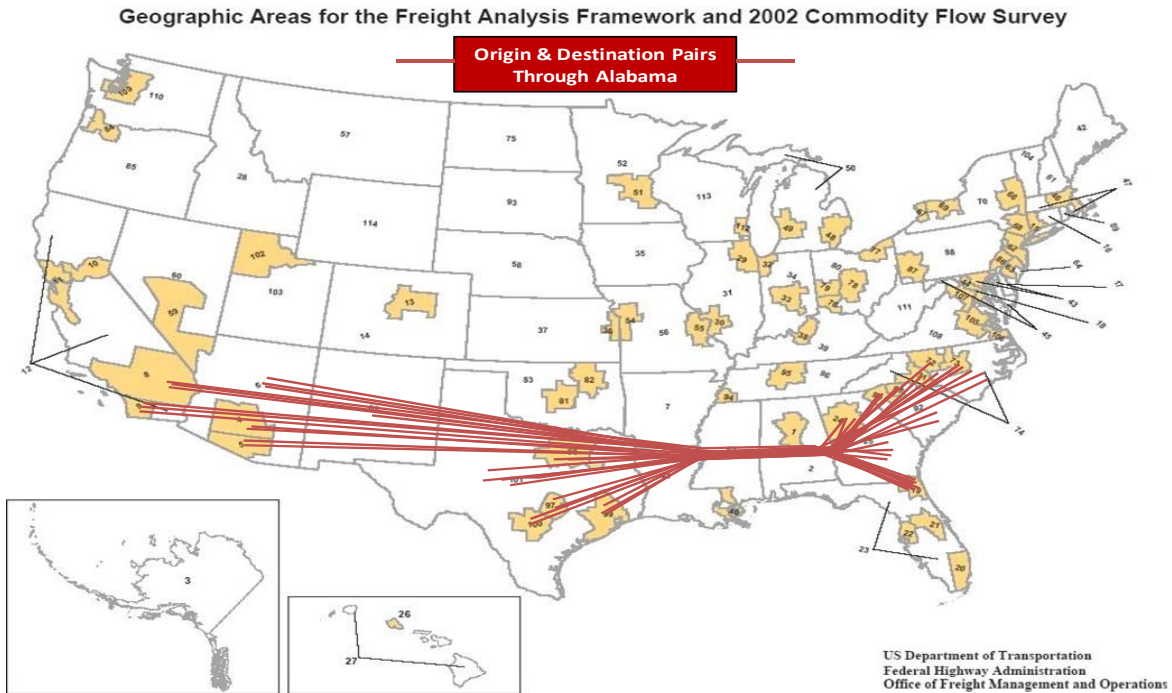
Freight corridor development has been greatly influenced by natural topological features like river crossings, mountain passes, or river ports. The presence of an established freight corridor is a valuable asset for not only the local region but also for the nation. The east-west freight corridor through the Black Belt region of Alabama is such an asset which can grow with proper attention and investment.

Certainly there is potential for the existing rail freight volumes to grow from economic expansion in the nation. Additionally, there could be growth opportunities for rail freight growth in this corridor from factors like energy cost increases, time consuming congestion expansion, or other factors which could encourage transportation mode shifts. Considering the truck and rail/truck freight that is now traveling across the southern U.S. may help quantify the potential for mode-change growth in rail freight volumes.

### 6.1. Pass-Through Truck Freight Volumes

Opportunities for growth in the Black Belt freight corridor may come from the combination of existing industrial expansion, new industries locating in the region, and from capturing market share from other modes of transportation. Significant opportunities for freight growth along the Black Belt freight corridor should include the truck freight and truck/rail freight that is now passing through Alabama from West to East as well as from East to West. The Federal Highway Administration's Freight Analysis Framework 2 (FAF2) database contains information on the freight being transported across the nation's roadways as viewed in Figure 6.1.<sup>12</sup>

Using the FAF2 database, the total annual volume of truck + rail/truck freight passing through Alabama in 2002 originating west of Alabama and destined for east of Alabama along the southern U.S. freight corridor is estimated to be 29,160 kilotons or the equivalent of 364,504 railcar loads. Truck + rail/truck freight originating east of Alabama and destined for west of Alabama is estimated to be 10,773 kilotons or the equivalent of 134,660 railcars annually.<sup>13</sup>



**Figure 6.1. Geographic Areas for the Freight Analysis Framework and 2022 Commodity Flow Survey**

The exact amount or even the types of commodities which may be captured by rail is unknown. Containerization of freight continues to expand with more nontraditional cargo being shipped in containers, e.g. grain, wood pulp, gravel, etc. Although much of the freight that is now being trucked across the state of Alabama may not currently be a candidate for rail, future containerization initiatives could make rail transportation a viable alternative.

This truck + rail/truck freight volumes are expected to grow at an overall average annual rate of 2.17%. By 2030, the annual truck + rail/truck freight originating west of Alabama and destined for east of Alabama is forecasted to be 30,148 kilotons (376,846 railcar equivalents) and 50,976 kilotons (637,196 railcar equivalents) in the other direction...an increase of 180% and 75% respectively.<sup>14</sup> Capturing even a relatively small amount of this existing freight transportation volume already in this freight lane creates significant growth potential for the Black Belt rail corridor.

In Table 6.1, the volume of annual truck freight passing through Alabama along the southern U.S. freight corridor is shown by FY 2002 actual weight (in kilotons), forecasted 2030 weight and an estimated railroad car equivalent.<sup>15</sup>



**Table 6.1. Annual Truck Freight Passing Through Alabama  
Along the Southern U.S. Freight Corridor**

Originating State	Destination State	Annual Kilotons		Estimated Annual Railcar Equivalents*	
		Forecasted		Forecasted	
		Actual 2002	2030	Actual 2002	2030
Arizona	FL	20	99	247	1,232
	GA	48	282	598	3,527
	NC	72	254	895	3,178
	SC	20	56	252	703
California	FL	88	539	1,096	6,732
	GA	740	3,522	9,256	44,026
	LA	139	559	1,741	6,991
	NC	446	1,563	5,571	19,539
Louisiana	SC	146	610	1,820	7,629
	FL	35	31	435	383
	GA	715	283	8,941	3,538
	LA	17,801	18,017	222,513	225,206
New Mexico	NC	324	174	4,047	2,170
	SC	233	219	2,916	2,736
	FL	15	194	189	2,430
	GA	100	556	1,252	6,952
Texas	NC	22	27	271	340
	SC	3	9	33	118
	FL	321	1,208	4,018	15,104
	GA	2,471	7,906	30,883	98,830
Subtotal East Bound	LA	2,586	7,772	32,323	97,153
	NC	1,770	3,944	22,121	49,306
	SC	1,047	3,150	13,087	39,373
		29,160	50,976	364,504	637,196
Florida	AZ	13	28	165	348
	CA	12	33	154	410
	LA	81	158	1,018	1,972
	NM	6	9	77	116
	TX	467	1,435	5,840	17,935
Georgia	AZ	189	321	2,359	4,014
	CA	165	659	2,064	8,238
	LA	514	1,410	6,425	17,623
	NM	15	21	188	269
North Carolina	TX	3,436	11,010	42,944	137,629
	AZ	511	1,017	6,386	12,711
	CA	70	225	875	2,818
	LA	169	399	2,116	4,987
	NM	25	27	308	338
South Carolina	TX	2,839	6,094	35,482	76,178
	AZ	130	309	1,619	3,862
	CA	111	407	1,389	5,083
	LA	65	111	810	1,392
Subtotal West Bound	NM	7	10	93	122
	TX	1,948	6,464	24,348	80,800
		10,773	30,148	134,660	376,846
		39,933	81,123	499,164	1,014,043

Source: Freight Analysis Framework 2 Database. Railcars estimated at 80 tons.

## **7. Importance of Railroads to Economic Growth in Alabama and the Black Belt Region**

Economic development projects come in all shapes and sizes. They are often measured in terms of announced jobs and capital investment. These measures are imperfect in estimating the total impact on an area from a project. Over the past decade, Alabama has landed a number of sizable projects. Although not all projects generate large amounts of freight, many of Alabama's successes were made possible by access to rail.

In fact, according to interviews with several regional economic development professionals, "between 10% and 20% of economic development projects today and into the foreseeable future have a requirement for rail access."<sup>16</sup>

Communities, regions, and states that cannot offer sites that meet a specific transportation requirement are not able to compete for the jobs. Simply stated, industrial sites and ultimately states are eliminated early in the location decision analysis if they cannot meet the minimum site requirements like access to appropriately capable rail. In fact, the economic development professionals interviewed all said that major projects often require access to two or more railroads in order to not be totally dependent on a single rail freight transportation provider.

The State of Alabama new industry project announcements for 1999-2008 are provided in Table 7.1.<sup>17</sup> This list of major new industry announcements shows that growth has occurred around the Black Belt region and in the Montgomery-Alexander City Economic Area but none has yet landed in the Black Belt rail corridor. Although there are no guarantees of future announcements, the Black Belt freight corridor is geographically positioned to benefit from the growth of supply chain networks for the new companies. Rail transportation of freight between suppliers and customers is an important factor for several of these major new industries, e.g., automotive, steel, building materials, etc. The next decade could be the time for the Black Belt to participate in economic prosperity.

**Table 7.1. Major New Industry Announcements in Alabama 1999-2008**

**MAJOR NEW INDUSTRY ANNOUNCEMENTS IN ALABAMA  
1999 - 2008**

Source: Alabama Development Office

YEAR	COMPANY	CITY	COUNTY	SIC	PRODUCT	JOBS	INVESTMENT
2002	Hyundai Motor Mfg Alabama LLC	Montgomery	Montgomery	3711	Automobiles	2,000	\$ 1,000,000,000.00
2002	Mobis Alabama	Montgomery	Montgomery	3711	Motor Vehicle Chassis	430	\$ 30,000,000.00
2002	Nucor Corporation	Trinity	Morgan	3312	Steel Mill	325	\$ 210,000,000.00
2002	Oxford Automotive Inc	Birmingham	Jefferson	3463	Automotive Stampings	300	\$ 200,000,000.00
2002	SCA Tissue-Barton Operations	Barton	Colbert	2676	Paper Napkins, Towels, Tissue	450	\$ 240,000,000.00
2002	Topre America Corporation	Cullman	Cullman	3469	Automotive Metal Stamping	300	\$ 100,000,000.00
2002	Williams International	Huntsville	Madison	3724	Aircraft Engines	700	\$ 268,000,000.00
2008	AJIN USA (Joon LLC)	Lanett	Chambers	3465	Automotive Metal Stamping	450	\$ 89,000,000.00
2007	AlaTrade Foods LLC	Phenix City	Russell	2015	Chicken Processing	600	\$ 15,000,000.00
2007	AlphaPet	Decatur	Morgan	2821	Polyethylene Terephthalate (PET)	100	\$ 160,600,000.00
2005	Army Materiel Command (BRAC)	Huntsville	Madison		Defense/Aerospace	1,410	\$ 103,718,000.00
2004	DirecTV	Huntsville	Madison	4841	Customer Contact Center	1000	\$ -
2005	EADS North America Inc	Arlington	Mobile	3721	Aerial Refueling Tankers &	1,150	\$ 600,000,000.00
2005	EJM Aerospace	Andalusia	Covington	3721	Maintenance, Overhaul, Repair &	400	\$ 9,000,000.00
2005	Gambro Renal Products	Opelika	Lee	3641	Polyflux Dialyzers	150	\$ 110,000,000.00
2006	Home Depot	McCalla	Jefferson	5199	Home Improvement Distribution Center	400	\$ 33,140,000.00
1999	Honda Manufacturing of Alabama LLC	Lincoln	Talladega	3711	Odyssey Mini Vans & Pilot Vehicle Assembly	1500	\$ 400,000,000.00
2005	Hudson-Alpha Institute for Biotechnology	Huntsville	Madison	8731	Biotechnology Research &	1,063	\$ 130,000,000.00
2003	Hwashin Ltd	Greenville	Butler	3711	Automobile Chassis	400	\$ 70,000,000.00
2005	Jo-Ann Stores Inc	Opelika	Lee	5092	Fabric & Craft Goods Distribution	425	\$ 45,000,000.00
2008	Keystone Foods LLC	Gadsden	Etowah	2015	Poultry Processing	150	\$ 118,000,000.00
2005	Kronospan U.S. LLC	Eastaboga	Calhoun	2431	Wood Laminated Flooring	700	\$ 500,000,000.00
2004	Louisiana-Pacific Corporation	Thomasville	Clarke	2493	Oriented Strand Board	130	\$ 130,000,000.00
2006	Meyer Real Estate	Gulf Shores	Baldwin	6531	Real Estate Services &	450	\$ 8,000,000.00
2007	National Alabama Corporation	Cherokee	Colbert	3743	Rail Cars	1,800	\$ 350,000,000.00
1999	Navistar International Corp	Huntsville	Madison	3711	Diesel Truck Engines	1000	\$ 350,000,000.00
2000	Norbord Alabama Inc	Lanett	Chambers	2493	OSB Construction Panels	130	\$ 129,000,000.00
2003	Plastech Engineered Products	McCalla	Jefferson	3089	Plastic Injection Molding	400	\$ 50,000,000.00
2003	Samlip Alabama	Alexander City	Tallapoosa	3647	Auto Lighting Parts & Systems	400	\$ 53,000,000.00
1999	Skyhook Technologies LSF	Huntsville	Madison	3728	Aircraft Cables	500	\$ 48,000,000.00
2003	Smart Inc	Luverne	Crenshaw	3714	Motor Vehicle Frames	400	\$ 110,000,000.00
1999	Teksid Automotive Components	Sylacauga	Talladega	3714	Cylinder Heads & Blocks	427	\$ 84,200,000.00
2007	ThyssenKrupp Steel USA	Mount Vernon	Mobile	3312	Carbon & Stainless Steel Processing	2,700	\$ 3,700,000,000.00
2001	Toyota Motor Manufacturing Alabama	Huntsville	Madison	3714	V-8 & V6 Pickup Truck Engines	350	\$ 220,000,000.00
2008	U S Steel Corporation (Temporary Delay)	Epes	Sumter	3624	Carbon & Graphite Product Manufacturing	235	\$ 450,000,000.00
2006	Verizon Wireless	Huntsville	Madison	7374	State Headquarters & Call Center	1300	\$ 44,000,000.00
2005	Wachovia	Birmingham	Jefferson	7374	Data Center	100	\$ 400,000,000.00

## 8. Conclusions

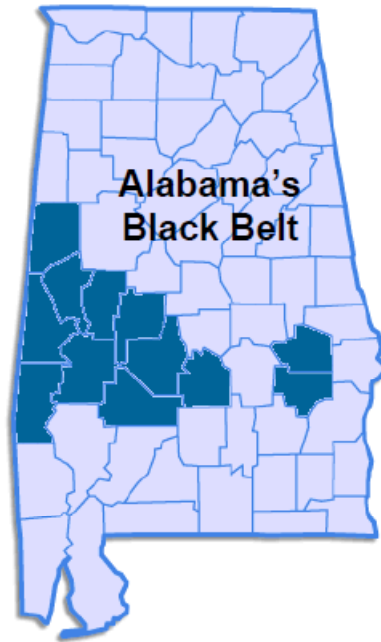
Review of the Black Belt region, industrial composition in the adjacent economic areas, and the volume of truck and rail/truck freight currently moving along the southern U.S. freight corridor suggests the following observations.

- The Black Belt Region in Alabama needs economic growth opportunities to break the cycle of poverty present there for more than a century.
- Economic Areas of Montgomery-Alexander City, AL; Jackson-Yazoo City, MS; and Tupelo, MS, have a significant presence of industries which traditionally rely on rail transportation.
- The Meridian & Bigbee Railroad is currently serving nine industry clusters which employed 55,520 in 2006.
- There are at least three additional industry clusters employing 39,523 in 2006 that could be served by an improved Meridian & Bigbee Railroad.
- There is a significant amount of freight passing through Alabama today by truck and rail/truck. It is expected that the volume of this freight will grow by 103% by 2030. An improved rail corridor should be able to facilitate and/or capture a significant amount of this growth.
- Freight corridors can provide opportunities for growth especially connecting areas of robust economic activity.
- The Meridian & Bigbee Railroad is a vital transportation network link for the Black Belt Region of Alabama and the Southern U.S.

### 8.1. Alabama Black Belt - Revisit

The Black Belt area of Alabama has struggled for decades to grow its economy. Currently, there are efforts underway like Alabama Governor Bob Riley's Black Belt Action Commission to "measurably improve the quality of life in Alabama's Black Belt region by actively working with all citizens of Alabama and any other supportive parties."<sup>18</sup>

A map of the geographic locations of the counties included in the Black Belt area is in Fig. 8.1.<sup>19</sup>



**Fig 8.1. Geographic location of counties included in Alabama Black Belt**

The M&B Railroad runs through the heart of the Black Belt in Alabama. Improved rail access coupled with the industrial site availability could make it possible for this region of the Southeast U.S. to compete for and secure a major project which may provide the stimulus needed to break the cycle of no jobs – no future that many in the area have seen for generations.

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19. *Alabama Black Belt Commission Overview*. <http://www.blackbeltaction.org>

## **Project Team**

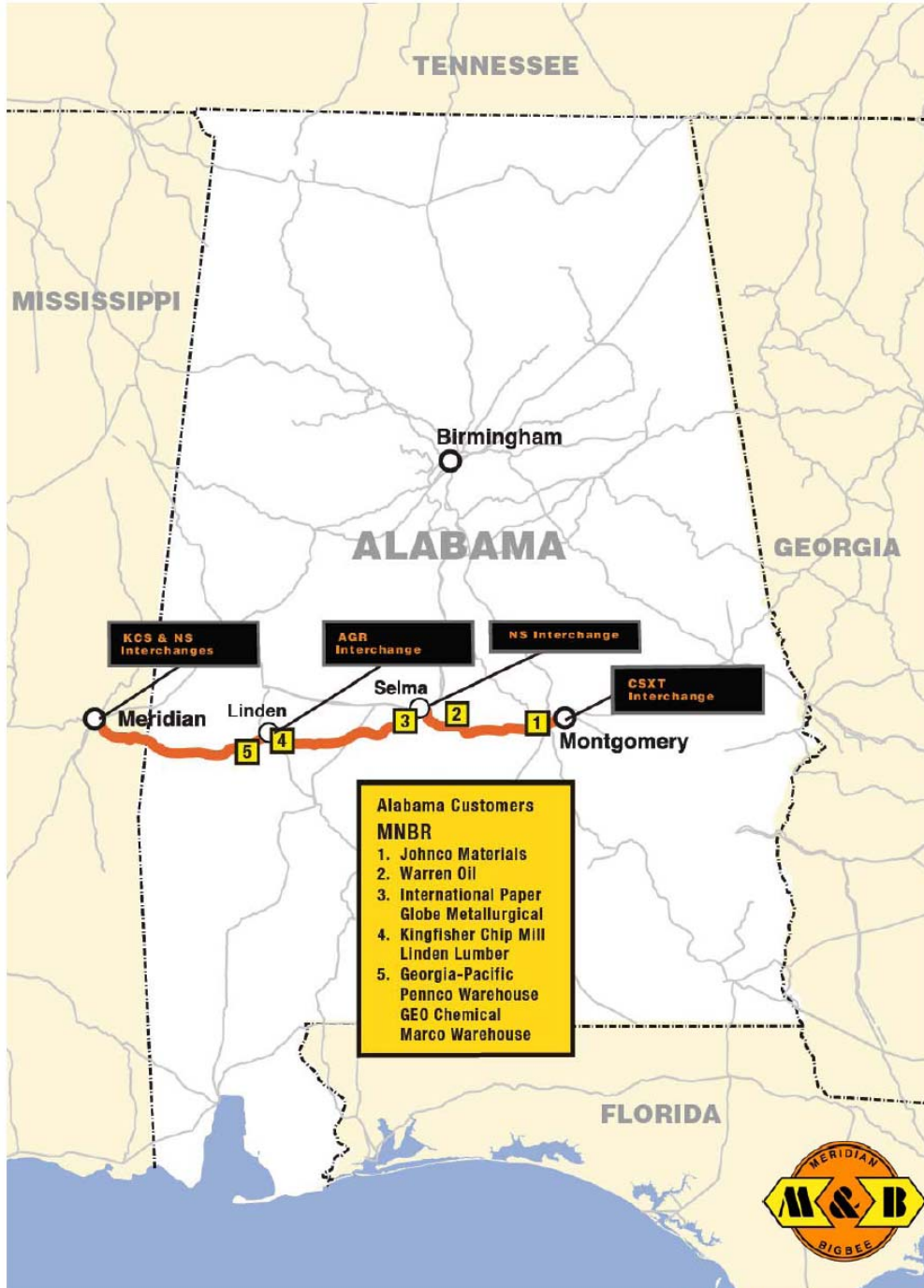
- Jeff Thompson            Project Lead
- Lisa Blanchard            Researcher
- Karen Yarbrough        Researcher

## **Attachments**

### *Exhibits:*

- A.     M&B Map
- B.     Alabama & Mississippi Core Based Statistical Areas & Counties Maps
- C.     FAF2 Freight Zones Map

Exhibit A Meridian & Bigbee Railroad Map

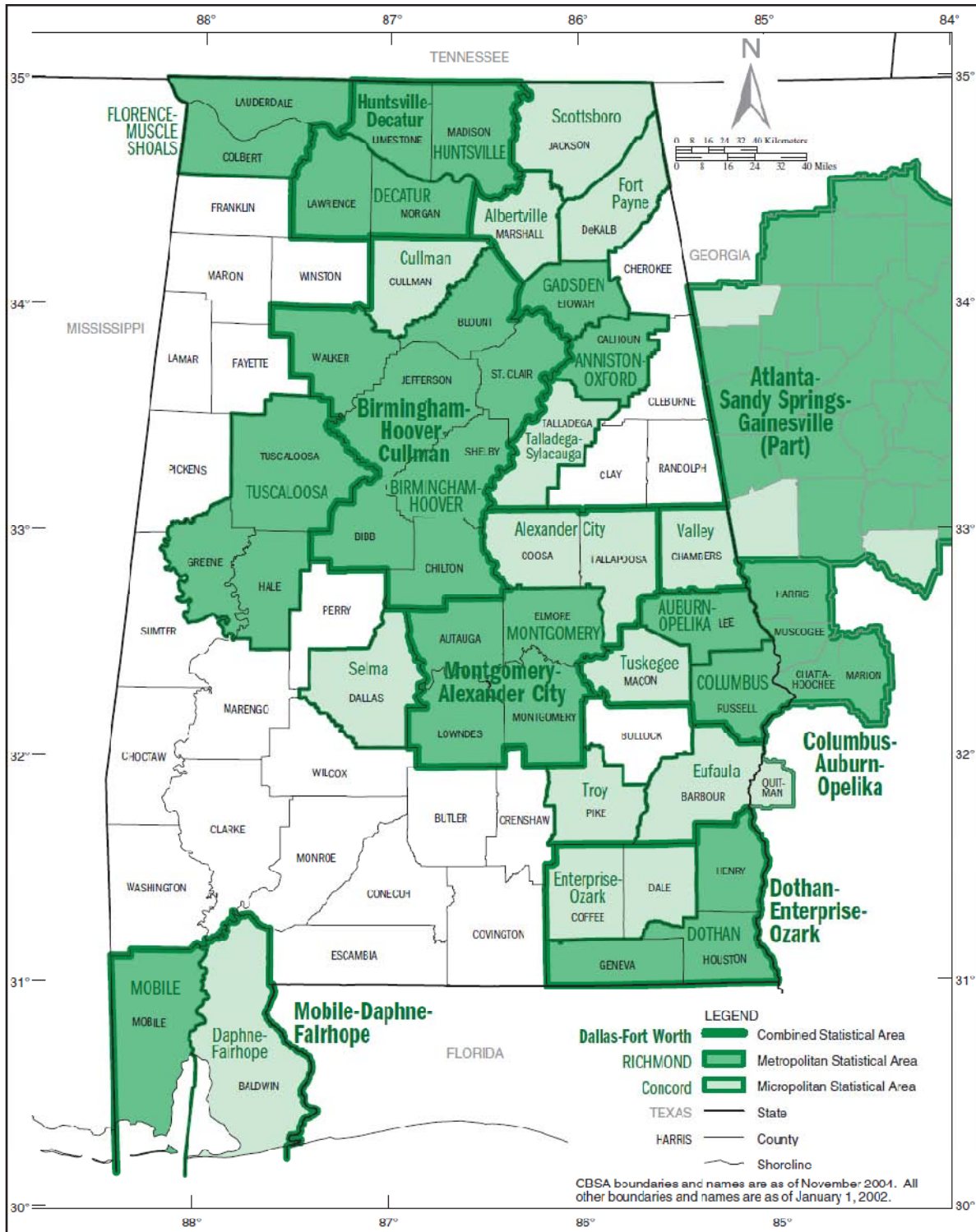


MNBR Meridian & Bigbee Railroad



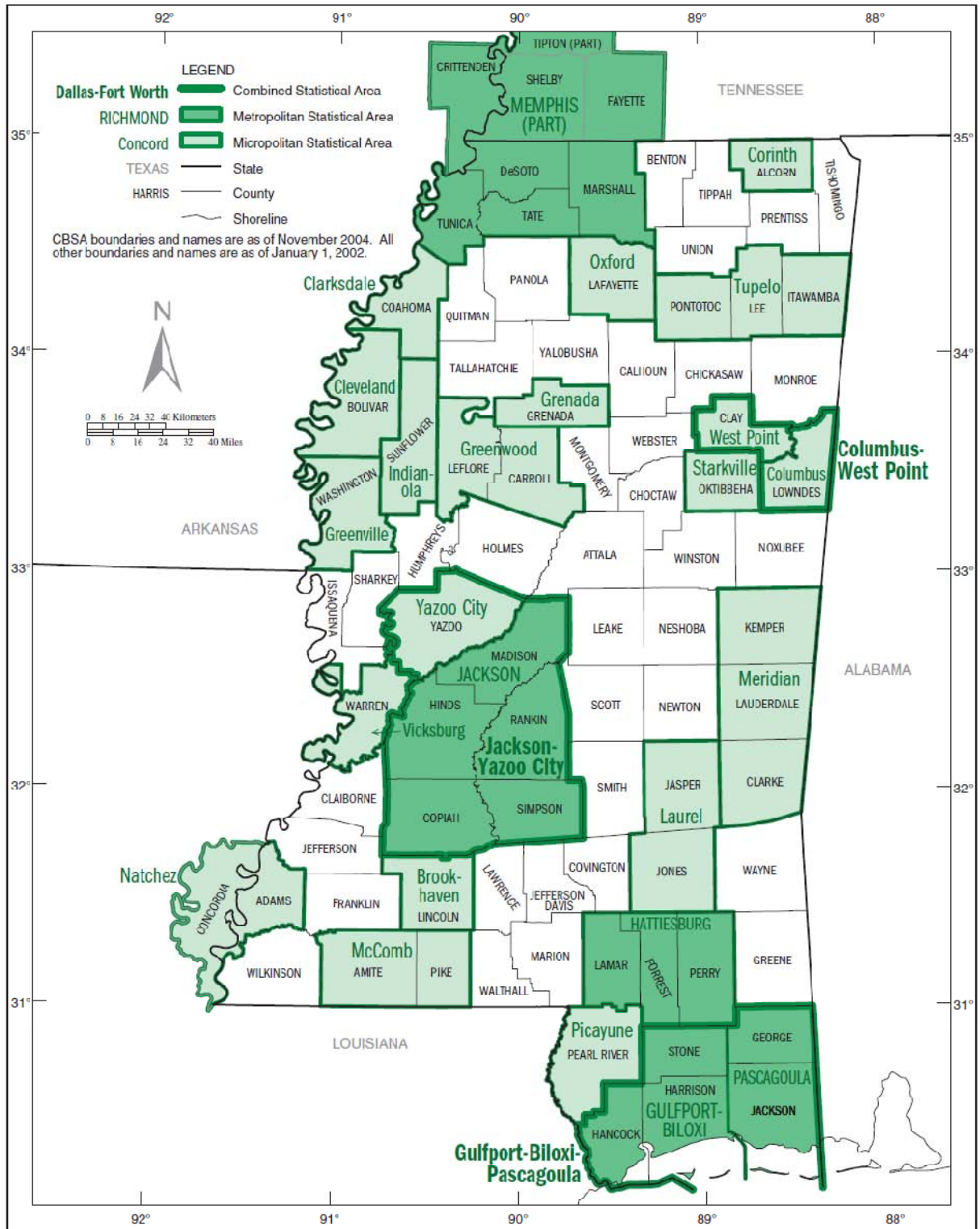
## Exhibit B

### ALABAMA - Core Based Statistical Areas and Counties

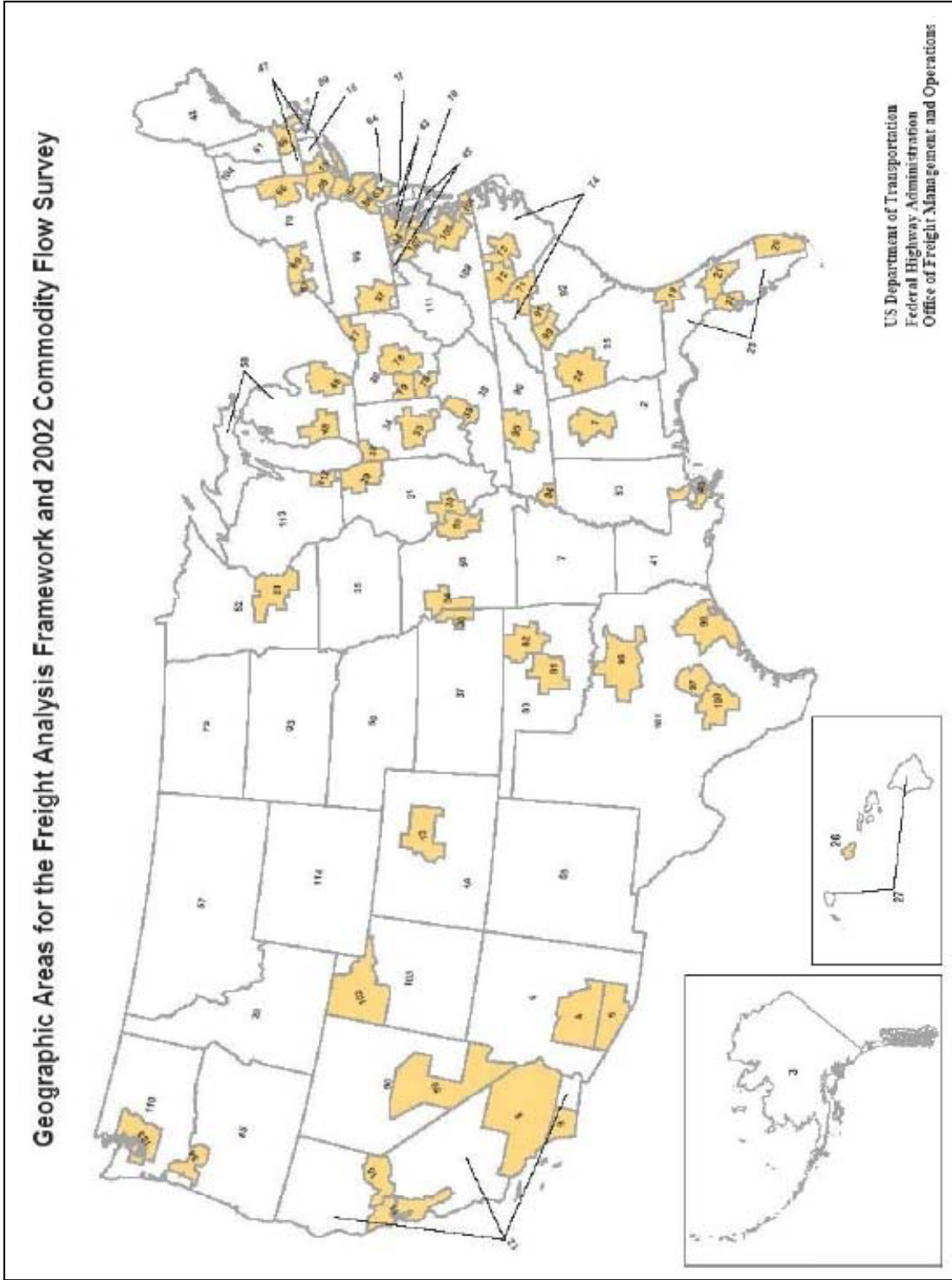


## Exhibit B

### MISSISSIPPI - Core Based Statistical Areas and Counties



# Exhibit C FAF2 Freight Zones Map



**Alabama Department of Transportation  
Meridian and Bigbee Railroad  
Alabama Black Belt Infrastructure and Development Project  
Project Schedule**

Num	Items	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Month 13	Month 14	Month 15	
		Week	Week	Week	Week	Week	Week	Week	Week	Week	Week	Week	Week	Week	Week	Week	Week
		1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4
<b>1</b>	<b>Preliminary</b>																
1.1	Submit the application and Get the approval																
1.2	Administration (Third Party Contractor)																
1.3	Engineering and Project Management																
<b>2</b>	<b>Materials</b>																
2.1	Rail 115RE																
2.2	Thermite Weld (turnouts)																
2.3	Electric Flash-Butt Weld																
2.4	Tie Plate (14-3/4")																
2.5	Tie Plate (18")																
2.6	Spikes (5/8" x 6")																
2.7	Anchors																
2.8	Joint Bars																
2.9	Bolts/Nuts (1" x 6")																
2.10	Washers																
2.11	Liquid Tie Plug (SpikeFast)																
2.12	Turnout (#10 RBM)																
2.13	Ballast (turnouts)																
2.14	Ballast (surfacing)																
2.15	Crossties																
2.16	Asphalt (road crossing patch)																
2.17	Highway grade crossings																
2.18	Railroad at-grade crossing																
2.19	Insulated Joints (bonded epoxy)																
2.20	Salvage Old Rail																
<b>3</b>	<b>Labor</b>																
3.1	New Rail Installation 115RE																
3.2	Welding																
3.3	Turnout Installation																
3.4	Internal Labor (Flagging, Inspection, Signals)																
3.5	Internal Misc. (Eqpmt, Vehicle, Lodging)																
3.6	Diamond Installation																
3.7	Road Crossing patch																
3.8	Surfacing																
3.9	Surfacing (turnouts)																
<b>4</b>	<b>Closings</b>																
4.1	Administration closing																

## **Federal Railroad Administration (FRA) CATEGORICAL EXCLUSION WORKSHEET**

**Note:** The purpose of this worksheet is to assist proposal sponsors in gathering and organizing materials for environmental analysis required under the National Environmental Policy Act (NEPA), particularly for proposals, which may qualify as Categorical Exclusions and to assist the FRA in evaluating requests from project sponsors for categorical exclusion determinations. Categorical Exclusions are categories of actions (i.e. types of projects) that the FRA has determined, based on its experience, typically do not individually or cumulatively have a significant effect on the human environment and which generally do not require the preparation of either an environmental impact statement or an environmental assessment.

Submission of the worksheet by itself does not meet NEPA requirements. FRA must concur in writing with the proposal sponsor's Categorical Exclusion recommendation for NEPA requirements to be met. Please complete this worksheet using compatible word processing software and submit and transmit the completed form in electronic format.

<i>For Agency Use</i>	<i>Date Received:</i>
<i>Reviewed By:</i> <i>Date:</i>	<i>Recommendation for action:</i> <input type="checkbox"/> <i>Accept</i> <input type="checkbox"/> <i>Return for Revisions</i> <input type="checkbox"/> <i>Not Eligible</i>
<i>Comments:</i>	
<i>Concurrence by Counsel:</i> <input type="checkbox"/> <i>Accept Recommendation</i> <input type="checkbox"/> <i>Return with Comments</i>	<i>Reviewed By:</i> <i>Date:</i>
<i>Comments:</i>	
<i>Concurrence by Approving Official:</i>	<i>Date:</i>

### **I. PROPOSAL DESCRIPTION**

<b>Proposal Sponsor</b> Meridian & Bigbee, LLC	<b>Date Submitted</b>	<b>FRA Identification Number (if any)</b>
<b>Proposal Title</b> Rail Safety Upgrades, State of Alabama		
<b>Location (Include Street Address, City or Township, County, and State)</b> Choctaw, Marengo, Dallas, and Lowndes Counties, Alabama		
<b>Contact Person</b> Jerry Vest	<b>Phone</b> 412-963-1805	<b>E-mail Address</b> jvest@gwrr.com
<p>Note: Fully describe the proposal including specifics that may be of environmental concern such as: widening an embankment to stabilize roadbed; repairing or replacing bridge piers foundations, including adding rip-rap in a waterway; earthwork and altering natural (existing) drainage patterns and creating new water discharge; contaminated water needing treatment; building a new or adding on to a shop building; fueling or collection of fuel or oil and contaminated water; building or extending a siding; and building or adding on to a yard.</p>		
<b>Description of Proposal</b> Replace and upgrade 125 miles of open hearth rail with premium head hardened continuous welded rail from milepost 19.7 to 144.7 including replacement of turn-outs and bridge upgrades.		
<b>Purpose and Need of Proposal</b> The purpose of the project is to create a stable track structure that is capable of handling increased train speeds and increased weight capacity of industry standard 286,000 pound cars. The upgrades will enable M&B to meet demands of its current customers and attract new customers. The new infrastructure will increase the safety of transported goods, including hazardous material shipments.		

**II. NEPA CLASS OF ACTION**

Answer the following questions to determine the proposal's potential class of action.

**A. Will the proposal substantially impact the natural, social and / or human environment?**

YES (Contact FRA)  NO (Continue)

Actions that will significantly impact the environment require preparation of an Environmental Impact Statement. These proposals typically include construction or extension of rail lines or rail facilities including passenger, high speed, or freight rail activities.

**B. Is the significance of the proposal's social, economic or environmental impacts unknown?**

YES (Contact FRA)  NO (Continue)

**C. Does Section 4(f) of the Department of Transportation Act apply?** (i.e. proposal requires the use of publicly owned land of a public park, recreation area, or wildlife and waterfowl refuge of national, State, or local significance, or land of an historic site of national, State, or local significance, as determined by the Federal, State, or local officials having jurisdiction over the park, area, refuge, or site.)

YES (Contact FRA)  NO (Continue)

**D. Is the proposal likely to require detailed evaluation of more than a few potential impacts?**

YES (Contact FRA)  NO (Continue)

**E. Is the proposal likely to generate intense public discussion or concern, even though it may be limited to a relatively small subset of the community?**

YES (Contact FRA)  NO (Continue)

**F. Is the proposal inconsistent with any Federal, State, or local law, regulation, ordinance, or Judicial or administrative determination relating to environmental protection?**

YES (Contact FRA)  NO (Continue)

**G. Is the proposal an integral part of a program of current Federally supported actions which, when considered separately, would not be classified as major actions, but when considered together may result in substantial impacts?**

YES (Contact FRA)  NO (Continue)

If the answer to any of the questions B through G is "YES", contact the FRA to determine whether the proposal requires preparation of an Environmental Assessment.

**H. Is the proposal consistent with one of the following potential Categorical Exclusions?**

FRA Procedures for Considering Environmental Impacts, 64 FR 28545 (May 26, 1999)

YES (Mark category and continue as indicated)  NO (Contact FRA)

- Financial assistance or procurements solely for planning or design activities that do not commit the FRA or its applicants to a particular course of action affecting the environment. (*stop and submit to FRA*)
- State rail assistance grants for acquisition. (*Continue to Part III*)
- Operating assistance to a railroad to continue existing service or to increase service to meet demand, where the assistance will not result in a change in the effect on the environment. (*stop and submit to FRA*)
- Acquisition of existing railroad equipment, track and bridge structures, electrification, communication, signaling or security facilities, stations, maintenance of way and maintenance of equipment bases, and other existing railroad facilities or the right to use such facilities, for the purpose of conducting operations of a nature and at a level of use similar to those presently or previously existing on the subject properties. (*Complete Part III, Sections H, I, U, & V and submit to FRA*)
- Research, development and/or demonstration of advances in signal, communication and/or train control

systems on existing rail lines provided that such research, development and/or demonstrations do not require the acquisition of substantial amounts of right-of-way, and do not substantially alter the traffic density [or operational] characteristics of the existing rail line. *(Continue to Part III)*

- Temporary replacement of an essential rail facility if repairs are commenced immediately after the occurrence of a natural disaster or catastrophic failure. *(Continue to Part III)*
- Changes in plans for a proposal for which an environmental document has been prepared, where the changes would not alter the environmental impacts of the action. *(Continue to Part III describing the full consequences of the changes only)*
- Maintenance of: existing railroad equipment; track and bridge structures; electrification, communication, signaling, or security facilities; stations; maintenance-of-way and maintenance-of-equipment bases; and other existing railroad-related facilities. ("Maintenance" means work, normally provided on a periodic basis, which does not change the existing character of the facility, and may include work characterized by other terms under specific FRA programs) *(Continue to Part III)*
- Financial assistance for the construction of minor loading and unloading facilities, provided that proposals are consistent with local zoning, do not involve the acquisition of a significant amount of land, and do not significantly alter the traffic density characteristics of existing rail or highway facilities. *(Continue to Part III)*
- Minor rail line additions including construction of side tracks, passing tracks, crossovers, short connections between existing rail lines, and new tracks within existing rail yards, provided that such additions are consistent with existing zoning, do not involve acquisition of a significant amount of right of way, and do not substantially alter the traffic density characteristics of the existing rail lines or rail facilities. *(Continue to Part III)*
- Improvements to existing facilities to service, inspect, or maintain rail passenger equipment, including expansion of existing buildings, the construction of new buildings and outdoor facilities, and the reconfiguration of yard tracks. *(Continue to Part III)*
- Environmental remediation through improvements to existing and former railroad track, infrastructure, stations and facilities, for the purpose of preventing or correcting environmental pollution of soil, air or water. *(Continue to Part III)*
- Replacement, reconstruction, or rehabilitation of an existing railroad bridge, including replacement with a culvert, that does not require the acquisition of a significant amount of right-of-way. *(Continue to Part III)*

### III. **PROPOSAL INFORMATION FOR CATEGORICAL EXCLUSIONS**

Complete Part III unless indicated otherwise in Part II and submit to FRA.

For work to fixed facilities, maps displaying the following, as applicable, are required to be attached for FRA review:

- Proposal vicinity
- Proposal Site Plan indicating the USGS Quadrangle and Section
- Other Information as necessary to complete Part III

#### A. **Describe how the proposal satisfies the purpose and need identified in Part I:**

The existing rail infrastructure of the M&B is light-weight open hearth rail that was designed to accommodate rail traffic as it existed at the turn of the 19<sup>th</sup> century. The project will strengthen M&B's track structure, allowing M&B to better meet the needs of current customers that are forced to lightload cars. The new track structure will also attract potential customers that require industry standard 286,000 pound railcars to efficiently ship by rail and contribute to the ultimate goal of increasing weight capacity over the 145-mile M&B rail system. The M&B operates a 145-mile rail system in the states of Alabama and Mississippi. This line handled 19,305 carloads in 2008, some of which involved hazardous material. The continuation of dependable rail service will strengthen the economic viability of the deep southern states and keep hazardous materials on the rails instead of the public roads of Alabama and Mississippi.

- B. Location & Land Use:** *For fixed facilities, attach a map or diagram, at an appropriate scale, identifying the location of the proposal site and if applicable, the surrounding land uses and zoning of the site and surrounding properties. If the proposal would require many pages of maps or diagrams, include only a location map and contact FRA to determine if additional information is required. A map or diagram that identifies locations of critical resource areas, wetlands, potential historic sites, or sensitive noise receptors such as schools, hospitals, and residences should be included if there is the potential for impacts to these resources.*

*Briefly describe the existing land use of the proposal site and surrounding properties and resources.*

M&B tracks run through predominantly rural, agricultural land in Choctaw, Marengo, Dallas, and Lowndes Counties in Alabama. The surrounding land is occupied with farmland, with the exception of the urban and high population density area of Selma, Alabama.

- C. Historic Resources:** *If any cultural, historic, or archaeological resources are located in the immediate vicinity of the proposal, check and describe the resource(s) and then describe any potential effect of the proposal on the resource(s). Consultation with the SHPO is necessary when these resources are potentially affected.*

Cultural:

Historical:

Archaeological:

*Has consultation with the State Historic Preservation Officer occurred? If so, describe and attach relevant correspondence.*

Consultation with SHPO:

- D. Public Notification:** *Briefly describe any public outreach efforts undertaken on behalf of the proposal, if any. Indicate opportunities the public has had to comment on the proposal (e.g., Board meetings, open houses, special hearings).*

N/A

*Indicate prominent concerns expressed by agencies or the public regarding the proposal, if any.*

- E. Transportation:** *Would the proposal have a detrimental effect on other railway operations or impact road traffic, or increase demand for parking?*
- No (continue)    Yes, describe potential transportation, traffic, and parking impacts, and address capacity constraints and potential impacts to existing railroad and highway operations. Include maps or diagrams indicating any impacts and any proposed modifications to existing railways or roadways or parking facilities. Also, summarize any consultation that has occurred with other railroads or highway authorities whose operations this project will impact.



**F. Noise and Vibration:** *Are permanent noise or vibration impacts likely?*

No (continue)  Yes, describe how the proposal will involve noise impacts. If the proposal will result in a change in noise sources (number or speed of trains, stationary sources, etc.) and sensitive receptors (residences, hospitals, schools, parks, etc.) are present, apply screening distances for noise and vibration assessment found in FRA noise impact assessment guidance manual (and FTA's manual as needed) and compare proposal location with nearest receptor(s). If the screening distance is not achieved, attach a "General Noise and/or Vibration Assessment."

Noise  Vibration

New rail will be installed as continuous welded rail (CWR). Trains operating over CWR are quieter and transfer less vibration into the ground because of the absence of joints (every 33 to 39 feet) that typically cause the traditional "clickity-clack" train sound. No general assessment conducted.

*As a result of the general assessment(s) are there noise or vibration impacts?*

No (continue)  Yes (Describe and provide map identifying sensitive receptors):

**G. Air Quality:** *Does the proposal have the potential to increase concentrations of ambient criteria pollutants to levels that exceed the NAAQS, lead to the establishment of a new non-attainment area, or delay achievement of attainment?*

No (continue)  Yes, attach an emissions analysis for General Conformity regarding Carbon Monoxide (CO), Ozone (O<sub>3</sub>), Particulate Matter (PM<sub>10</sub>), Nitrous Oxides (NO<sub>x</sub>), and Carbon Dioxide (CO<sub>2</sub>), and include a hot spot analysis if indicated. Describe any substantial impacts from the proposal.

*Is the proposal located in a Non-Attainment or Maintenance area?*

No (continue)  Yes, for which of the following pollutants:

Carbon Monoxide (CO)  Ozone (O<sub>3</sub>)  Particulate Matter (PM<sub>10</sub>)

**H. Hazardous Materials:** *Does the proposal involve the use or handling of hazardous materials?*

No (continue)  Yes, describe use and measures that will mitigate any potential for release and contamination.

**I. Hazardous Waste:** *If the proposal site is in a developed area or was previously developed or used for industrial or agricultural production, is it likely that hazardous materials will be encountered by undertaking the proposal? (Prior to acquiring land or a facility with FRA funds, FRA must be consulted regarding the potential presence of hazardous materials)*

No, explain why not and describe the steps taken to determine that hazardous materials are not present on the proposal site and then continue to question I.

The project is to replace existing open hearth brittle rail with continuous welded head hardened rail in an area that is generally low density and rural. No hazardous waste is expected to be encountered or generated.

Yes, complete a Phase I site assessment and attach.

*If a Phase I survey was completed, is a Phase II site assessment recommended?*

No (continue)  Yes, describe the mitigation and clean-up measures that will be taken to remediate any hazardous materials present and what steps will be taken to ensure that the local community is protected from contamination during construction and operation of the proposal.

- J. Property Acquisition:** *Is property acquisition needed for the proposal?*  
 No (continue)  Yes, indicate whether the acquisition will result in relocation of businesses or individuals. **Note:** *To ensure eligibility for Federal participation, grantees may not acquire property with either local matching or Federal funds prior to completing the NEPA process and receiving written FRA concurrence in both the NEPA recommendation and property appraisals.*
- K. Community Disruption and Environmental Justice:** *Does the proposal present potentially disruptive impacts to adjacent communities?*  
 No (continue)  Yes, provide a socio-economic profile of the affected community. Indicate whether the proposal will have a disproportionately high and adverse effect on minority or low-income populations. Describe any potential adverse effects and any community resources likely to be impacted. Describe outreach efforts targeted specifically at minority or low-income populations.
- L. Impacts On Wetlands:** *Does the proposal temporarily or permanently impact wetlands or require alterations to streams or waterways?*  
 No (continue)  Yes, show wetlands and waters on the site map and classification. Describe the proposal's potential impact to on-site and adjacent wetlands and waters and attach any coordination with the State and US Army Corps of Engineers.
- M. Floodplain Impacts:** *Is the proposal located within the 100-year floodplain or are regulated floodways affected?*  
 No (continue)  Yes, describe the potential for impacts due to changes in floodplain capacity or water flow, if any. If impacts are likely, attach scale maps describing potential impacts and describe any coordination with regulatory entities.
- It is our belief that the railroad tracks are above the 100-year elevation levels although the fill is within the 100-year floodplain. This maintenance improvement project replaces rail already in place; therefore, no floodplain impacts are likely.
- N. Water Quality:** *Are protected waters of special quality or concern, essential fish habitats, or protected drinking water resources present at or directly adjacent to the proposal site?*  
 No (continue)  Yes, describe water resource and the potential for impact from the proposal, and any coordination with regulatory entities.
- O. Navigable Waterways:** *Does the proposal cross or have effect on a navigable waterway?*  
 No (continue)  Yes, describe potential for impact and any coordination with US Coast Guard.
- The railroad structure crosses the Tombigbee River in Pennington, AL and the Alabama River in Selma, AL. The proposal calls for upgrades to bridges at these locations and no alterations to existing and sustained conditions of the navigable waterways are expected.
- P. Coastal Zones:** *Is the proposal in a designated coastal zone?*  
 No (continue)  Yes, describe coordination with the State regarding consistency with the coastal zone management plan and attach the State finding if available.
- Q. Prime and Unique Farmlands:** *Does the proposal involve the use of any prime or unique farmlands?*  
 No (continue)  Yes, describe potential for impact and any coordination with the Soil Conservation Service of the US Department of Agriculture.

**R. Ecologically Sensitive Areas And Endangered Species:** *Are any ecologically sensitive natural areas, designated wildlife or waterfowl refuges, or designated critical habitat areas (woodlands, prairies, wetlands, rivers, lakes, streams, and geological formations determined to be essential for the survival of a threatened or endangered species) within or directly adjacent to the proposal site?*

No (continue)  Yes, describe them and the potential for impact. Describe any consultation with the State and the US Fish and Wildlife Service about the impacts to these natural areas and on threatened and endangered fauna and flora that may be affected. If required prepare a biological assessment and attach.

**S. Safety And Security:** *Are there safety or security concerns about the proposal?*

No (continue)  Yes, describe the safety or security concerns and the measures that would need to be taken to provide for the safe and secure operation of the proposal after its construction.

**T. Construction Impacts:** *Are major construction period impacts likely?*

No (continue)  Yes, describe the construction plan and identify impacts due to construction noise, utility disruption, debris and spoil disposal, and address air and water quality impacts, safety and security issues, and disruptions of traffic and access to property and attach scale maps as necessary.

**U. Cumulative Impacts:** *Are cumulative impacts likely?*

A "cumulative impact" is the impact on the environment that results from the incremental impact of the action when added to other past, present, and reasonably foreseeable future actions regardless of what agency (Federal or non-Federal) or person undertakes such other actions. Cumulative impacts may include ecological (such as the effects on natural resources and on the components, structures, and functioning of affected ecosystems), aesthetic, historic, cultural, economic, social, or health, whether direct, indirect, or resulting from smaller actions that individually have no significant impact. Determining the cumulative environmental consequences of an action requires delineating the cause-and-effect relationships between the multiple actions and the resources, ecosystems, and human communities of concern.

No (continue)  Yes, describe the reasonably foreseeable:

(a) Direct impacts, which are caused by the action and occur at the same time and place.

(b) Indirect impacts, which are caused by the action and are later in time or farther removed in distance, but are still reasonably foreseeable. Indirect impacts may include growth inducing effects and other effects related to induced changes in the pattern of land use, population density or growth rate, and related effects on air and water and other natural systems, including ecosystems.

**V. Related Federal, State, or Local Actions:** *Indicate whether the proposal requires any of the following actions (e.g., permits) by other Agencies and attach copies of relevant correspondence. It is not necessary to attach voluminous permit applications if a single cover Agency transmittal will indicate that a permit has been granted. Permitting issues can be described in the relevant resource discussion in sections B-S above.*

**Section 106** *Historic and Culturally Significant Properties*

**Section 401/404** *Wetlands and Water*

**USCG 404** *Navigable Waterways*

- Executive Orders** *Wetlands, Floodplains, Environmental Justice*
- Clean Air Act** *Air Quality*
- Endangered Species Act** *Threatened and Endangered Biological Resources*
- Magnuson-Stevens Fishery Conservation and Management Act** *Essential Fish Habitat*
- Safe Drinking Water Act**
- Other State or Local Requirements** (Describe)

**X. Mitigation:** Describe mitigation measures which address identified impacts and have been incorporated into the proposal, if any.