

Executive Director

Scott Wigger

Member Railroads

Adirondack Scenic Railroad
B & H Rail Corp.
Batten Kill Railroad, Inc.
Buffalo & Pittsburgh Railroad, Inc.
Buffalo Southern Railroad, Inc.
CSX Transportation, Inc.
Canadian National Railway Co.
Canadian Pacific- D & H Railway
Central New York Railroad, Inc.
Clarendon & Pittsford Railroad Co.
Depew Lancaster & Western RR
Falls Road Railroad Co. Inc.
Finger Lakes Railway Corp.
Genesee & Mohawk Valley RR Co.
Genesee & Wyoming Railroad
Livonia, Avon & Lakeville Railroad
Lowville & Beaver River RR Co.
Massena Terminal RR
Middletown & New Jersey Railroad LLC
Mohawk, Adirondack & Northern RR
New York & Atlantic Railway Co.
New York & Lake Erie Railroad
New York New Jersey Rail, LLC
New York & Ogdensburg Railway Co.
NY Susquehanna & Western Railway
Norfolk Southern Railway Co.
Ontario Central Railroad Corp.
Ontario Midland Railroad Corp.
Owego & Harford Railway
Pan Am Southern
Providence & Worcester Railroad
Rochester & Southern Railroad
SMS Rail Lines of New York
Saratoga & North Creek Railway
Somerset Railroad Corporation
South Buffalo Railway Co.
Syracuse, Binghamton & NY RR
Wellsboro & Corning Railroad
Western New York & Pennsylvania RR

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C & S Engineering, Inc.
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Chromate Industrial Corp.
Delta Railroad Construction Inc.
Erie County IDA
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Greenberg Traurig, LLP
HDR Engineering, Inc.
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Louis Berger Group
McCarthy Rail Insurance Managers
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Power Drives Inc.
RailWorks Track Services, Inc.
Southern Tier Extension Railroad Authority
Tectonic Eng. & Surveying Consultants
The West Firm, PLLC
V & H Inc.
W.J. Riegel Rail Solutions

Contributing Members

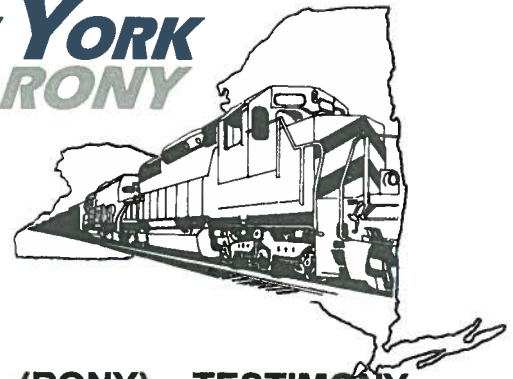
A & K Materials, Inc.
Cortland County IDA
D.A. Collins Companies
Delaware & Ulster Railroad
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Koppers Inc.
Lincoln Transportation Insurance Brokers
Nisus Corporation
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RAILROADS OF NEW YORK RONY

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RAILROADS OF NEW YORK, INC. (RONY) – TESTIMONY TO THE LEGISLATIVE FISCAL COMMITTEES

2016-17 TRANSPORTATION BUDGET HEARING

JANUARY 20, 2016

Good afternoon. My name is Scott Wigger and I am the Executive Director for Railroads of New York (RONY), a statewide association that represents the freight rail industry in New York State.

RONY represents four Class I Railroads (CSX, Canadian National, Canadian Pacific and Norfolk Southern) and 34 Short Line and Regional Railroads that directly employ over 3,700 individuals in NYS. RONY's member railroads provide access to the nation's 140,000-mile freight rail network, enabling many of New York's industrial, manufacturing and agricultural businesses to reach markets across the country and throughout the world via all U.S. ports and to realize a substantial competitive advantage over other businesses that lack access to the rail network. In addition to providing considerable economic benefits to the New York-based customers our railroad members service, freight rail also offers many environmental benefits, including reduced pollution and highway congestion, as well as increased fuel efficiency. Moving goods by freight rail instead of truck transportation also helps reduce wear and tear on our state's highway network.

Contained in the Governor's 2016-17 Executive Budget proposal is \$10 million for freight rail infrastructure projects and a separate \$10 million allocation for a mix of freight rail, passenger rail and port-related infrastructure projects. This \$20 million level of total funding is the same as it has been the past three fiscal years. While RONY appreciates the work that has been done in recent years to reestablish this important funding program, as infrastructure investments are becoming more of a focus here in NYS, we believe this budget year presents the unique opportunity to fully fund this program at \$50 million, the same level it was during the 2005-10 NYSDOT Capital Plan period. This funding is key as rail freight volumes are expected to significantly increase over the next few decades, placing even more strain on the state's freight rail network. According to a 2015 report issued by the U.S. Department of Transportation, rail freight demand is expected to increase by 49% by 2040.

Expanding this essential economic development program would allow our state's freight rail operators to make significant investments in the state's freight rail network. These important and needed investments by NYS will not only help improve the safety and overall condition of the state's rail system, they will also help promote economic development activities as our state's freight rail operators will be better positioned to expand service and reach customers and areas of the state currently without direct rail service. Access to dependable, efficient freight rail service is a key driver in many industrial facility location decisions as it allows businesses to receive

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materials and ship products in a more cost-effective manner. This is especially true when receiving or shipping such goods over long distances.

RONY also supports the development of a Five-Year NYSDOT Capital Plan, similar to the Five-Year MTA Capital Plan that is currently being evaluated. This presents a unique opportunity to bolster the state's freight rail infrastructure program to a level that will allow for more effective, significant investments in the state's rail network. As such, RONY supports funding for the state's freight rail infrastructure program at the same \$50 million per year investment level as outlined above for the five-year period covered by this Capital Plan, totaling \$250 million.

Long-term investment planning is key for our state's freight rail operators. It allows them to develop more innovative capital projects that advance state and local economic development efforts, as such projects typically take more time to plan and execute as compared to capital repair and maintenance projects. A Five-Year Capital Plan will also allow freight rail companies to better plan and collaborate with local businesses and economic development organizations so that the freight transportation needs of the local area can be achieved in the most cost-effective way possible.

It is also important to keep the state's freight rail infrastructure program as it is currently structured, with NYSDOT responsible for the scoring of these projects as opposed to having them evaluated through the Regional Economic Development Council process. While the Regional Council process helps fund numerous economic development activities throughout the state, it is not the most effective process to evaluate freight rail infrastructure projects. This is because given the interconnectedness of the state freight rail network, evaluating these projects on a regional basis does not always take into account the benefits any one particular project would have on the state as a whole. In addition, while such projects don't usually result in the direct creation of jobs with the railroad, the economic benefits of these projects are often realized by the customers served by the rail network, another factor NYSDOT is uniquely qualified to take into account when going through its scoring process.

According to the 2009 NYS Rail Plan issued by NYSDOT, there is a need to invest approximately \$390 million per year in the state's freight rail infrastructure over a five-year period, totaling nearly \$2 billion, with approximately half of these identified needs relating solely to keeping the current rail system in a state-of-good-repair. The following chart outlines these needs in more detail, including a going-forward look at the 20-year needs in the system:

FREIGHT RAIL NEED CATEGORY	5-YEAR NEEDS	20-YEAR NEEDS
Maintain Existing Conditions	\$242,000,000	\$911,000,000
Develop State-of-Good Repair	\$597,000,000	\$1,235,000,000
System Enhancement	\$545,000,000	\$1,658,000,000
System Expansion/Economic Development	\$580,000,000	\$1,357,000,000
TOTAL	\$1,964,000,000	\$5,161,000,000

In addition, RONY recently conducted a survey of its freight rail members to identify projects in need of state funding in order to commence. As shown on the attached chart, this informal survey produced a sample listing of over \$350 million in shovel-ready freight rail projects all across the state. This helps illustrate both the short- and long-term needs in the state's freight rail network.

With respect to environmental benefits, the inherent efficiency freight rail provides results in benefits including reduced pollution, increased fuel efficiency and less damage to our state's roadway system as compared to truck transportation. On a ton-mile basis, railroads emit four-times less pollution than trucks and a typical freight train carries the capacity of more than 280 trucks. In addition, according to the Federal

Railroad Administration, freight railroads can move a ton of freight close to 500 miles on one gallon of fuel, making them approximately four-times more fuel-efficient than trucks. Overall, according to the 2009 NYS Rail Plan, a 1% shift in goods traffic from trucks to rail freight would save approximately 111 million gallons of fuel each year and reduce greenhouse gases by 1.2 million tons.

RONY fully supports expanding the state's freight rail infrastructure program to a level of \$50 million per year. In addition, RONY also supports this same annual level of investment over the next NYSDOT Five-Year Capital Plan period, totaling \$250 million during that five-year period. As illustrated in the attached chart, there are more than enough identified projects across the state that can only be completed with assistance from this important infrastructure program. These freight rail capital projects will help strengthen and expand our state's rail network and enhance opportunities for future economic growth in all areas of the state.

Thank you for your consideration.

RAILROADS OF NEW YORK, INC.

2016 SAMPLE FREIGHT RAIL INFRASTRUCTURE
PROJECTS

RAILROADS OF NEW YORK



RONY 2016 Sample Project Summary

Total # of Railroads Represented: 22

Total # of Projects Included: 41

Average Total Cost Per Project:

\$8,648,902

Total Cost of Projects: \$354,605,000

RAILROADS OF NEW YORK



B&H RAIL CORPORATION

Project Location: Painted Post (Steuben County)

Project Description: Construction of new interchange track on the B&H Freight Main Line to interchange with the Norfolk Southern RR on B&H property.

Economic Impact: With the construction of this new interchange track, Norfolk Southern will be able to enter the B&H property, drop off B&H rail cars, then exit. This will eliminate the 1-4 hour wait time that the B&H train crew encounters on an every-other-day basis, which in turn affects all customers on a timely switch. In addition, this would move the existing interchange from a residential neighborhood to a non-populated area, increasing public safety in this area where propane tank cars are interchanged.

Total Project Cost: \$1,500,000



B&H RAIL CORPORATION

Project Location: Steuben County

Project Description: Repair work on the B&H's 40 bridges in NYS, including masonry, stone work, steel strengthening or steel member replacement, timber deck replacements and cleaning of steel and watercourses.

Economic Impact: These repairs are necessary to keep these critical structures in a state-of-good-repair and to maintain its 286,000-pound load rating. Project will benefit all customers using the line to ship propane, butane, fertilizer and other products.

Total Project Cost: \$500,000



BATTEN KILL RAILROAD

Project Location: Cambridge (Washington County)

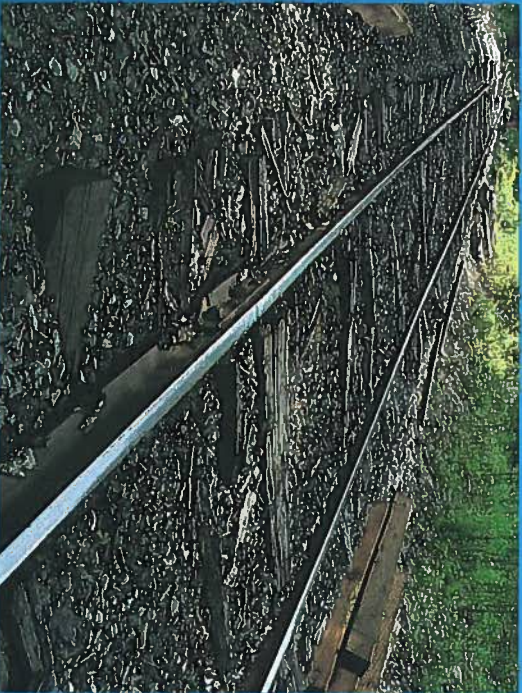
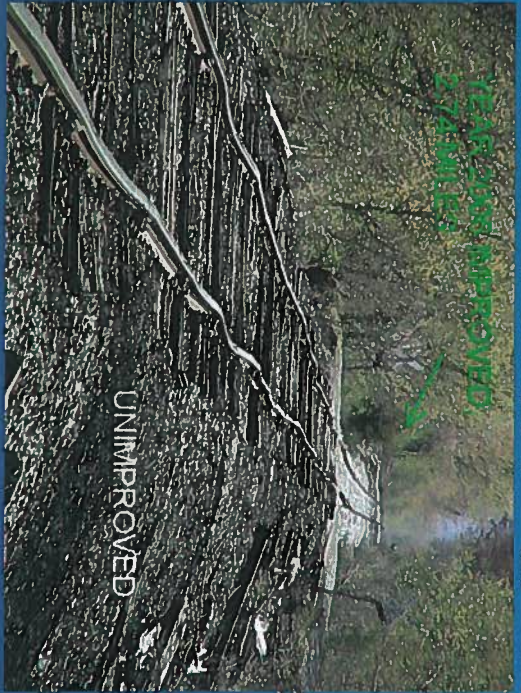
Project Description: Overhaul of approximately 4.3 miles of distressed main track. Crosstie condition in particular remains alarmingly deficient, with defective tie levels generally exceeding 80%. In addition, track geometry cannot be well maintained due to overall poor crosstie conditions in interaction with shallow/deficient ballast and heavily stressed small section rail.

Economic Impact: Would allow for the retention of freight rail service to Cargill Animal Nutrition (45 total employees) and Carovail Fertilizers (30 total employees) as well as enhance safety and help preserve service by substantially reducing the risk of track failures that cause or contribute to derailments. In addition, would help advance towards the goal of improving the total operated railroad to a sustainable level of good repair, would establish a sound crosstie and ballast foundation that will assist the RR to accommodate industry-standard 286,000-pound railcars, and would improve opportunities for marketing of rail service to prospective new customers by improving infrastructure quality and reliability.

Total Project Cost: \$1,373,000



BATTEN KILL RAILROAD



BUFFALO SOUTHERN RAILROAD

Project Location: Buffalo (Erie County)

Project Description: Includes rail section, tie plates and partial tie replacement on the lead track connecting the mainline shipping Class I rail systems (CSX, Norfolk Southern, Buffalo & Pittsburgh RR, Canadian National, Canadian Pacific) to the Buffalo Southern yard in Buffalo, as well as drainage improvements within the Buffalo Southern Tiff Street yard. Also includes a major tie replacement, plates, anchors, welding and assorted rail work including ballast on the mainline track between mainline shippers at Tiff Street yard, running south to the farthest intermodal facility in North Collins (Erie County). In addition, rehabilitation work would be done to falling wing walls at a bridge over Rush Creek (Blasdell).

Economic Impact: Would help protect against derailments and allow for expanded freight service, as well as for potential passenger rail service connecting Buffalo to the Southern Tier. Would also allow for increased safe operations for the handling of sensitive commodities by rail as opposed to truck transporting through the Southern Tier and first ring communities.

Total Project Cost: \$2,050,000



BUFFALO SOUTHERN RAILROAD



19 Existing track at Lockwood Products shown from the east looking up the track.



20 The rail section in the road track is 122 1/2 inch heavy high strength steel with Class 1 lockwood and products tie as well as a tie-down by the street inspection caused by the CP Drive Bridge at the station show, when the road was.



21 This project is phase 2, the intention is to have a bridge that has a long span and heavy up the approach road bed.



22 A typical section of product road bridge caused by rail and concrete tie and the lockwood tie based in some areas. This project is phase 1 and only handles the bridge structure, intended that the bridge structure will be used as the CP Drive Bridge.

CSX RAILROAD

Project Location: CSX River Line (Northern New Jersey to Albany)

Project Description: Construction of five sidings on the River Line.

Economic Impact: Historically, the River Line has been one of CSX's most congested routes. Such congestion has prevented the company from being able to take on more intermodal business on the line. As we look to the future, much more siding capacity will be required to enable increased intermodal volume at the service levels that will allow intermodal to be competitive with long-haul trucking. Raising service levels is key to being able to increase the amount of freight moved by intermodal, which plays a critical role in reducing truck traffic on the constrained highway system, subsequently reducing highway maintenance costs and improving highway safety.

Total Project Cost: \$187,200,000



CENTRAL NEW YORK RAILROAD

Project Location: Broome County

Project Description: Installation of 12,420 ties, ballast and surface of nearly 14 miles of track, surface of 14 turnouts and rehabilitation of grade crossings.

Economic Impact: Would improve reliability, enhance safety, provide stability for 286,000-pound rail cars and add capacity to the line for the 27 customers served along the line. Would also help divert traffic from truck to rail by creating greater efficiencies in rail transportation.

Total Project Cost: \$2,000,000

**CENTRAL
NEW YORK
RAILROAD**

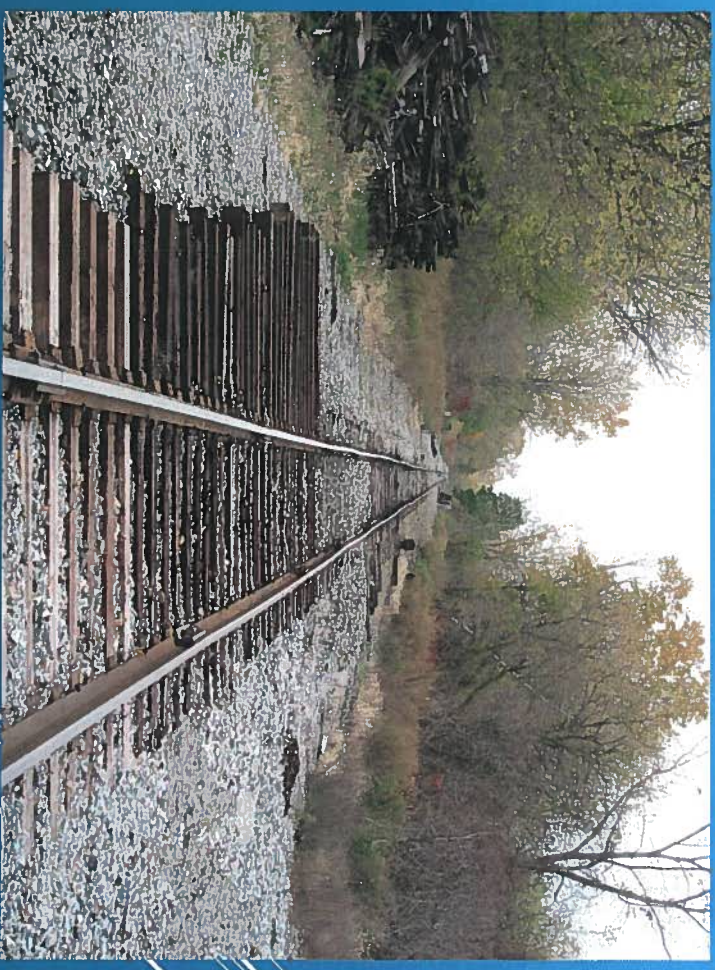
DEPEW, LANCASTER & WESTERN RAILROAD

Project Location: Genesee County

Project Description: Construction of a runaround track in Batavia.

Economic Impact: Construction of this runaround will help preserve and improve service to local customers and add capacity.

Total Project Cost: \$67,000



DEPEW, LANCASTER & WESTERN RAILROAD

Project Location: Erie County

Project Description: Installation of 3,000 ties, ballast and surface of mainline track.

Economic Impact: Project will help ensure the safe travel of freight to local customers.

Total Project Cost: \$450,000



FALLS ROAD RAILROAD

Project Location: Niagara and Orleans Counties

Project Description: Installation of 12,000 ties, ballast and surface of mainline track.

Economic Impact: Project will help ensure safe travel for unit grain shipments and passenger trains.

Total Project Cost: \$1,860,000



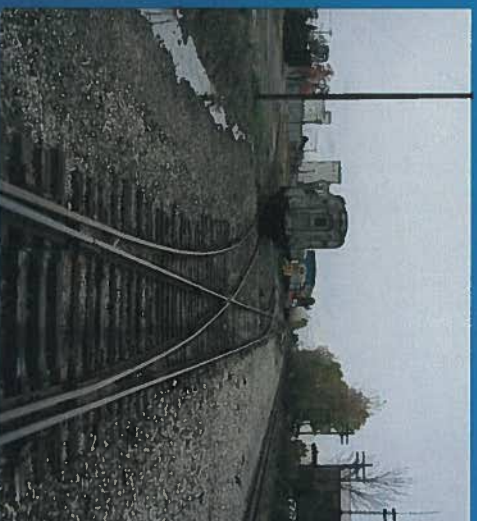
FALLS ROAD RAILROAD

Project Location: Niagara County

Project Description: Rehabilitation of yard tracking and 3 grade crossings in Lockport.

Economic Impact: Rehabilitation of this yard will help ensure safe travel of rail traffic, improve interchange with CSX and add capacity. The rehabilitation of the 3 grade crossings will help improve rail and highway conditions and help maintain public safety.

Total Project Cost: \$595,000



FINGER LAKES RAILWAY

Project Location: Onondaga County

Project Description: Crosstie replacement and surfacing to bring a segment of the rail line to Class III standards.

Economic Impact: Would provide a round-trip savings of approximately \$180,000 for labor, locomotive fuel, locomotive maintenance and track maintenance. Would also provide customers with a high-capacity line to handle current and projected business to remain competitive in the global marketplace. Customers in the served region currently employ over 6,500 individuals.

Total Project Cost: \$2,970,000



FINGER LAKES RAILWAY

Project Location: Onondaga County

Project Description: Upgrades to Solway Yard (near Syracuse), realignment of existing tracks and new track construction and turnouts.

Economic Impact: Would accommodate increased staging and sorting of railcars at the CSX and New York, Susquehanna & Western RR interchanges and help support service to major employers in Onondaga, Cayuga and Ontario Counties. Customers in the served region currently employ over 6,500 individuals.

Total Project Cost: \$3,000,000



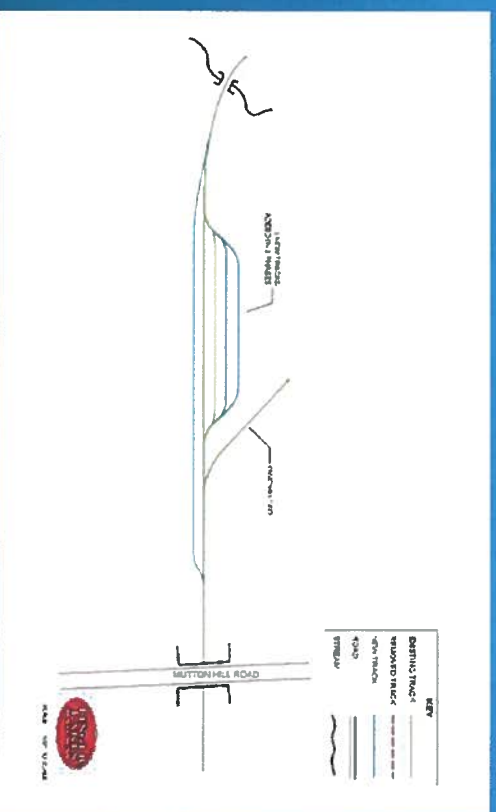
FINGER LAKES RAILWAY

Project Location: Cayuga County

Project Description: Yard improvements, including installing a three-track yard and a new bypass mainline.

Economic Impact: Would allow for staging and interchange with through trains and reduce grade crossing congestion in Auburn. Customers in the served region currently employ over 6,500 individuals.

Total Project Cost: \$1,500,000



FINGER LAKES RAILWAY

Project Location: Seneca, Cayuga and Onondaga Counties

Project Description: Replacement of three miles of curve rail.

Economic Impact: Would strengthen the RR's major mainline and provide rail for yard prospects. Heavier rail will contribute to safer operations, as well as reducing long-term maintenance costs. Customers in the served region currently employ over 6,500 individuals.

Total Project Cost: \$1,900,000



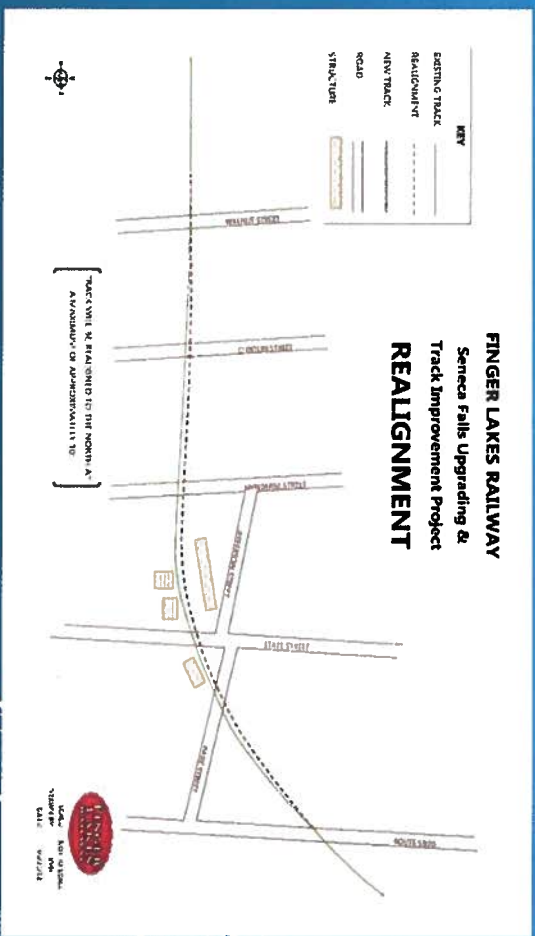
FINGER LAKES RAILWAY

Project Location: Seneca County

Project Description: Mainline track realignment, upgrading rail and improving five public grade crossings.

Economic Impact: Would reduce travel times through town, which would reduce traffic wait times at grade crossings. In addition, would allow for better horizontal clearance and allow for heavier rail cars to be safely carried through town. Would produce roundtrip savings of approximately \$150,000 for labor, locomotive fuel, locomotive maintenance and track maintenance. Customers in the served region currently employ over 6,500 individuals.

Total Project Cost: \$2,200,000



FINGER LAKES RAILWAY

Project Location: Ontario County

Project Description: Replacement of 20,000 ties and surfacing.

Economic Impact: Would bring this segment of track up to Class III operating standards, allowing for safer and faster service for customers. Would also produce roundtrip savings of approximately \$180,000 for labor, locomotive fuel, locomotive maintenance and track maintenance. Customers in the served region currently employ over 6,500 individuals.

Total Project Cost: \$2,700,000



FINGER LAKES RAILWAY

Project Location: Cayuga, Schuyler, Seneca, Onondaga, Ontario and Yates Counties

Project Description: System safety improvements.

Economic Impact: Would increase safety along the system by installing lighting at key locations, improving track centers in yards, improving roadway access for right-of-way work and improving walkways for train crews.

Total Project Cost: \$500,000



FINGER LAKES RAILWAY

Project Location: Schuyler and Yates Counties

Project Description: Replacement of 17,000 ties and resurfacing.

Economic Impact: Would bring the rail line up to Class II track standards and 286,000-pound weight limits. Would also provide roundtrip savings of approximately \$170,000 for labor, locomotive fuel, locomotive maintenance and track maintenance. Customers in the served region currently employ over 6,500 individuals.

Total Project Cost: \$2,295,000



LIVONIA, AVON & LAKEVILLE RAILROAD

Project Location: Henrietta (Monroe County)

Project Description: Replacement of over 3 miles of track, including tie replacement, OTM replacement, as well as ballast and surfacing. In addition to the existing rail nearing the end of its serviceable life, trains can only travel 10 MPH due to the rail's current condition.

Economic Impact: Would strengthen the rail line to allow speeds to be set at 30 MPH on the entire main line. Would also help reduce the likelihood of derailments and enhance the efficiency of service to all customers.

Total Project Cost: \$3,500,000



MASSENA TERMINAL RAILROAD

Project Location: St. Lawrence County

Project Description: Massena Yard Rehabilitation and drainage improvements, including installing 5,000 ties, 2,000 tons of ballast/surface, placing 200 tons of rip rap rock and installing drainage pipes.

Economic Impact: This railroad serves the ALCOA plant with approximately 750 employees in Massena and this project will help ensure continued efficient and safe freight rail service.

Total Project Cost: \$1,470,223



MOHAWK, ADIRONDACK & NOTHERN RAILROAD

Project Location: Utica

Project Description: Construction of an additional 6,500 feet of yard tracks.

Economic Impact: The additional yard trackage this project would result in would add capacity, ease congestion and improve interchange activities with CSX.

Total Project Cost: \$1,110,500



MOHAWK, ADIRONDACK & NOTHERN RAILROAD

Project Location: Utica

Project Description: Construction of a Truck-to-Rail transload facility.

Economic Impact: This new 25,000-square foot facility would make rail transportation available to customers who do not have direct rail access, and would also enhance service for existing customers and attract new customers to the area.

Total Project Cost: \$1,900,000



NEW YORK & ATLANTIC RAILWAY

Project Location: Long Island/ NYC Region

Project Description: Green locomotive fleet replacement.

Economic Impact: The retrofitting of eight locomotives with diesel retrofit technology capable of reducing diesel particulate matter by over 90% will result in significant environmental benefits in the region.

Total Project Cost: \$24,000,000



NEW YORK & LAKE ERIE RAILROAD

Project Location: Buffalo-to-Jamestown Rail Corridor
(Cattaraugus and Chautauqua Counties)

Project Description: Rehabilitation of nearly five miles of track between South Dayton and Cherry Creek.

Economic Impact: Would bring this segment of track up to a state-of-good repair to allow reliable freight service and the resumption of tourist rail excursions over the line. Resumption of a successful tourism business is needed in order to provide for the long-term operation and maintenance of the line for its future use as part of the larger Buffalo-to-Jamestown corridor. Total economic impacts over the life of the project from expanded tourism activities taking place over the entire corridor have been estimated at over \$120 million.

Total Project Cost: \$821,458



NEW YORK & LAKE ERIE RAILROAD

Project Location: Buffalo-to-Jamestown Rail Corridor
(Cattaraugus and Chautauqua Counties)

Project Description: Rehabilitation of nearly 11 miles of track between Waterboro and Cherry Creek.

Economic Impact: Would bring this segment of track up to a state-of-good repair to allow reliable freight service and the resumption of tourist rail excursions over the line. Resumption of a successful tourism business is needed in order to provide for the long-term operation and maintenance of the line for its future use as part of the larger Buffalo-to-Jamestown corridor. Total economic impacts over the life of the project from expanded tourism activities taking place over the entire corridor have been estimated at over \$120 million.

Total Project Cost: \$6,634,000



NEW YORK NEW JERSEY RAILROAD

Project Location: Kings County

Project Description: Would install 4,000 feet of new track, 4 turnovers, 2 crossovers and 8 frogs, improving yard throat connection between the New York New Jersey RR and the New York & Atlantic RR. Would also establish new track connections to the existing interchange, resolve a restricted single track corridor and allow expanded head room switching room to improve the usage of freight rail to move cargo between West of Hudson and East of Hudson.

Economic Impact: Would retain local jobs with customers including Mid-Wood Lumber, SIMS and Greshow Recycling. Would also connect to and enhance the New York New Jersey RR Marine-Rail Highway Corridor. It is critical to increase freight rail volume into the Metro NYC area which is only 2% served by rail and overly dependent on trucks on extremely burdened roadways and bridges.

Total Project Cost: \$2,960,000



NEW YORK, SUSQUEHANNA & WESTERN RAILROAD

Project Location: Onondaga County

Project Description: Installation of nearly 8 miles of continuous welded rail on the Syracuse mainline, including installation of 4,620 ties, ballast/surface and improvement of grade crossings.

Economic Impact: Would improve stability, enhance safety, add capacity and provide greater stability for industry-standard 286,000-pound rail cars for the 32 customers that are served by this rail line. Project would insure the safe and reliable operation of the line for another 50 years, as well as promote greater fuel efficiency, lower maintenance costs and improved delivery times.

Total Project Cost: \$4,000,000



NEW YORK, SUSQUEHANNA & WESTERN RAILROAD

Project Location: Broome and Cortland Counties

Project Description: Installation of nearly 22,000 ties, ballast and surface of nearly 37 miles of track, surfacing on 15 turnouts and rehabilitation of grade crossings.

Economic Impact: Would improve reliability, enhance safety, provide stability for 286,000-pound rail cars and add capacity to the line for the 32 customers served along the line. Would also help divert traffic from truck to rail by creating greater efficiencies in rail transportation.

Total Project Cost: \$3,500,000



NEW YORK, SUSQUEHANNA & WESTERN RAILROAD

Project Location: Cortland

Project Description: Renewal and rehabilitation of a bridge leading to the Suit-Kote Corporation Asphalt Terminal.

Economic Impact: Would ensure the continuation of the industrial track that services the Suit-Kote Terminal. Suit-Kote is a privately-owned asphalt products manufacturer, as well as a road construction, maintenance and asphalt applications engineering company with over 500 employees in Central NY.

Total Project Cost: \$7,000,000



NORFOLK SOUTHERN RAILROAD

Project Location: Broome and Schoharie Counties

Project Description: Tunnel reconstruction (Belden to North Colesville), yard improvements and rehabilitation (Binghamton) and siding extension (Richmondville).

Economic Impact: Would rehabilitate Norfolk Southern's East Binghamton Rail Yard with the installation of ties and turnouts to help trains move more seamlessly across the yard and territory, help decrease dwell times, add capacity and strengthen the RR's ability to service new customers on the line. Norfolk Southern also plans to address immediate tunnel repairs for the 2,200 foot single-track rail tunnel to help increase speed, improve safety and reduce delays. The siding extension would improve fluidity, increase capacity and allow for more evenly distributed freight train traffic throughout the regional rail network.

Total Project Cost: \$20,000,000+



NORFOLK SOUTHERN RAILROAD

Project Location: Buffalo (Erie County)

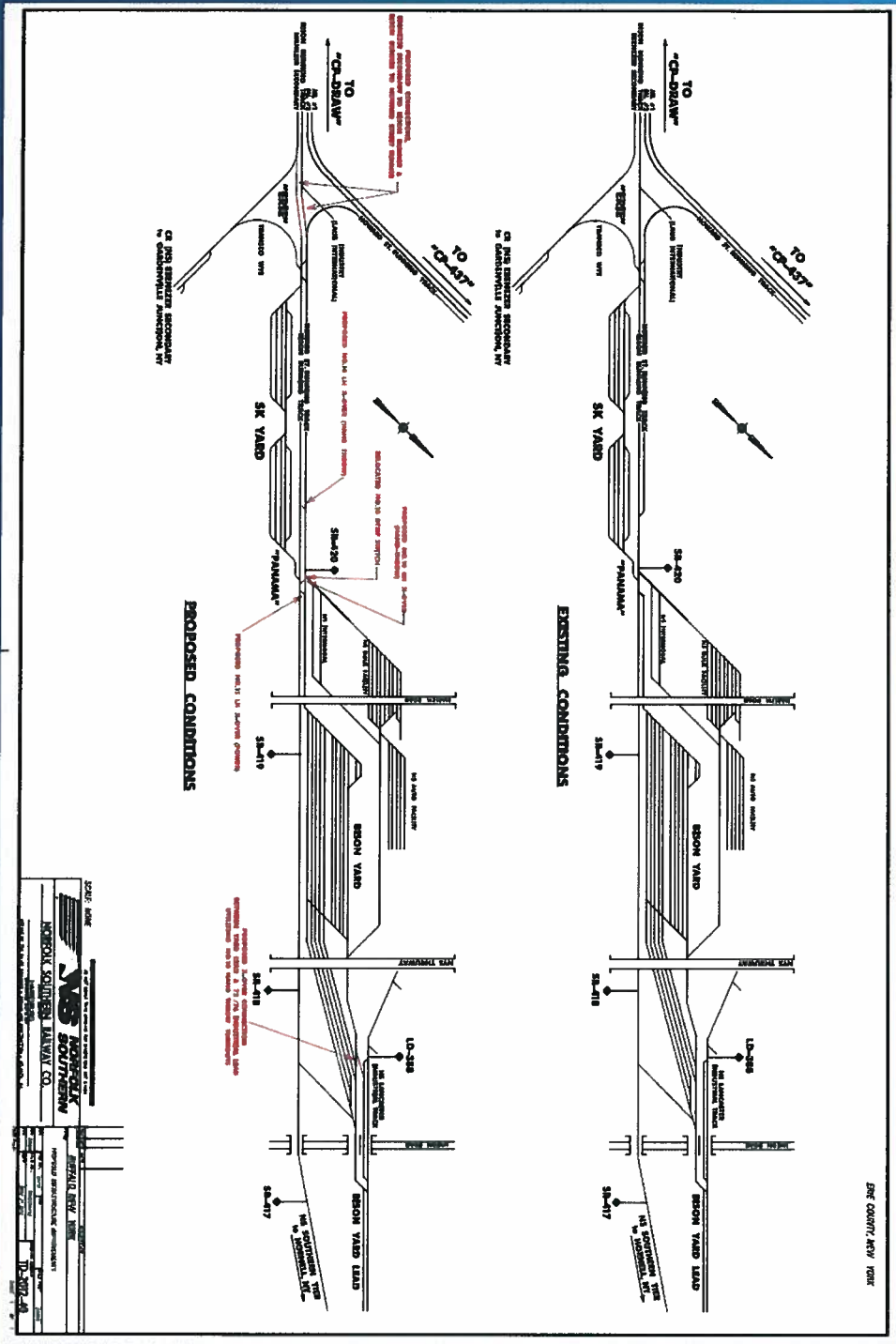
Project Description: Track extensions, power switch installations, yard connection improvements and industrial lead tracks (Bison Yard), IM paving work and IM overhead lift crane.

Economic Impact: Extending the track will increase the efficiency of switching operations at Bison Yard and eliminate the unproductive time spent by crews waiting for trains to clear the track. In addition, the power switch installations will help decrease train delays, providing for more direct routing, add capacity, decrease time off of train schedules, and reduce congestion and train dwell. Other improvements will expedite business processes and improve overall facility technologies.

Total Project Cost: \$25,000,000+



NORFOLK SOUTHERN RAILROAD BISON YARD PROJECT



ERIC COONIC NEW YORK

ONTARIO CENTRAL RAILROAD

Project Location: Ontario County

Project Description: Expansion of Manchester Yard, including installing 3,000 feet of new track and new switches, and constructing a new transload facility.

Economic Impact: Would provide Ontario County customers with more efficient and expanded transload services. Customers in the served region currently employ over 6,500 individuals.

Total Project Cost: \$1,200,000

ONTARIO MIDLAND RAILROAD

Project Location: Monroe and Wayne Counties

Project Description: Upgrade of 36 passive grade crossings.

Economic Impact: Upgrading these passive crossbuck public grade crossings with lights and gates will significantly increase public safety for drivers crossing these tracks.

Total Project Cost: \$7,200,000

ONTARIO MIDLAND RAILROAD

Project Location: Sodus (Wayne County)

Project Description: Rehabilitation of the lightrail in the Sodus Yard, including installation of 1,800 ties, 1,000 tons of ballast, tamping and aligning of 5,000 feet of track, installation of new timbers in 8 switches, rebuilding of 3 track crossings and replacing 1,000 bolts in joint bars.

Economic Impact: Would increase the load capacity of the track to handle 286,000-pound railcars at the request of a customer looking to also have a new siding installed in order to move approximately 1 million pounds of product per year.

Total Project Cost: \$604,100



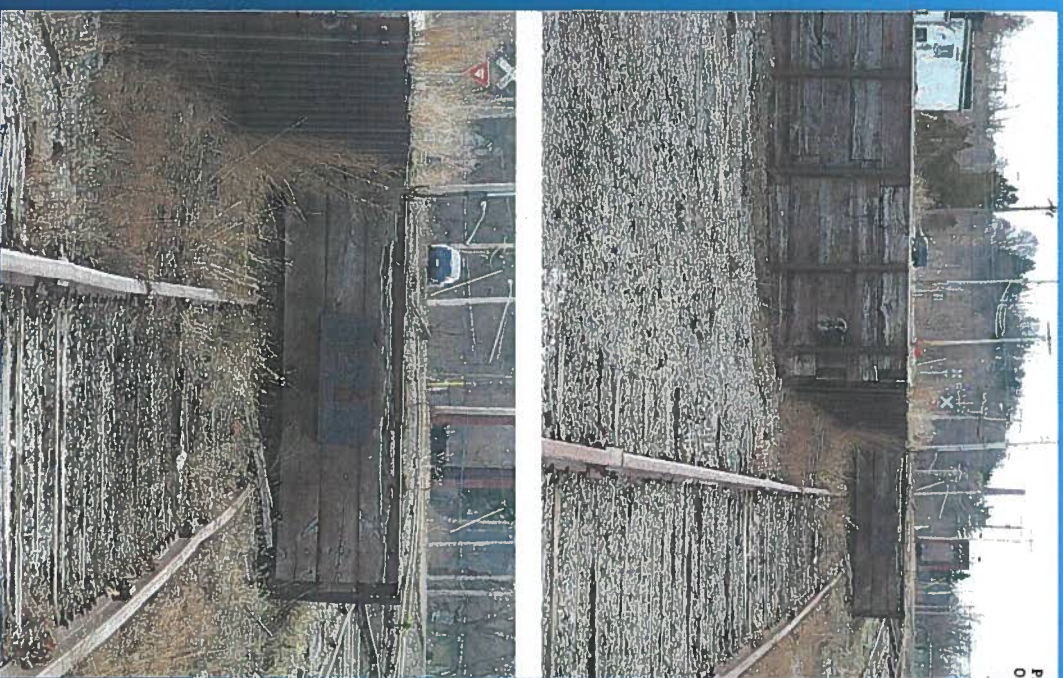
ONTARIO MIDLAND RAILROAD

Project Location: Newark (Wayne County)

Project Description: Rehabilitation of Newark Yard, including installing 2,400 ties, 1,600 tons of ballast, tamping and aligning of 8,000 feet of track, installation of new timbers in 5 switches, rebuilding of 2 private crossings, replacing 2,000 bolts in bars and ditching for area drainage.

Economic Impact: Would upgrade the yard to be able to handle 286,000-pound railcars. This project represents the last part of the RR's mainline rehabilitation project that will get the RR back into full service to all customers.

Total Project Cost: \$536,400



ROCHESTER & SOUTHERN RAILROAD

Project Location: Livingston and Monroe Counties

Project Description: Rehabilitation of mainline track and upgrades to the Brooks Avenue Yard in Rochester, including rehabilitating 9 grade crossings, installing 19,000 feet of new continuous welded rail, rehabilitating 11 turnouts, installing 1,800 crossties, extending the Brooks Yard South Main by 1,500 feet and ballast/surface of rail installation areas.

Economic Impact: This project will help accommodate the demand for increased freight rail service for increasing customer rock salt shipments.

Total Project Cost: \$4,500,000



SOMERSET RAILROAD CORPORATION

Project Location: Niagara County

Project Description: Replacement of 33% of the existing ties and resurfacing of over 15 miles of mainline track, as well as the replacement of two public grade crossings which will allow for the RR to maintain current track speeds. In addition, would reduce potential slow orders through the various communities its traverses and will also reduce the probability of track-caused train derailments.

Economic Impact: Completion of this work will assure timely and economically-viable delivery of raw materials to the Somerset Power Plant (Barker) and several chemical manufacturing companies located in Lockport. Maintaining an economic delivery alternative for these facilities will help retain over 150 jobs and maintain the viability of one of the largest property taxpayers in the county.

Total Project Cost: \$3,000,000



SOMERSET RAILROAD CORPORATION



WESTERN NEW YORK & PENNSYLVANIA RAILROAD

Project Location: Allegany and Cattaraugus Counties

Project Description: Replacement of 7 miles of track between Allegany (Allegany County) and Killbuck (Cattaraugus County) on the WNYF freight mainline. The existing rail is curve worn with end-battered joint defects and is reaching the end of its serviceable work life.

Economic Impact: Upgrading this rail will strengthen the Southern Tier rail link between Olean (Cattaraugus County) and Jamestown (Chautauqua County), reduce the likelihood of derailments and enhance the efficiency of the STERA rail network.

Total Project Cost: \$2,200,000



WESTERN NEW YORK & PENNSYLVANIA RAILROAD

Project Location: Cattaraugus and Chautauqua Counties

Project Description: Replacement of 19,000 crossties between Salamanca (Cattaraugus County) and Poland Center (Chautauqua County) on the WNYF freight mainline. The conditions along this route currently limit operations to 10 and 25 MPH and conditions continue to deteriorate (desired speed = 40 MPH).

Economic Impact: Upgrading this rail will strengthen the Southern Tier rail link between Olean (Cattaraugus County) and Jamestown (Chautauqua County), reduce the likelihood of derailments and enhance the efficiency of the STERA rail network.

Total Project Cost: \$2,100,000



WESTERN NEW YORK & PENNSYLVANIA RAILROAD

Project Location: Allegany, Cattaraugus and Chautauqua Counties

Project Description: Repair of 155 bridges, including masonry, stone, steel strengthening or steel member replacements, timber deck replacements and cleaning of steel and watercourses.

Economic Impact: While all of these bridges currently have a load rating of 286,000 pounds, continual repairs are necessary to hold the line on these critical structures.

Total Project Cost: \$1,500,000



ADIRONDACK SCENIC RAILROAD

Project Location: Franklin, Herkimer and St. Lawrence Counties

Project Description: Restoration of the final segment of the RR from Big Moose (Herkimer County) to Saranac Lake (Franklin County) to Class II operating standards, including new ties, signage, rail and joint repair, drainage/ditching, gaging, surface, brush cut, ballast and bridge work.

Economic Impact: The Adirondack Scenic Railway is a tourist railway operating through the Adirondack Park, with departures from Utica, Old Forge, Saranac Lake and Lake Placid. The RR has experienced steady ridership growth over the past 7 years, with ridership expected to be over 85,000 passengers in 2015. This project, with a minimum guaranteed life of 10 years, projects to have an overall economic benefit to the area of over \$11 million over these 10 years. If projected to a 20-year service life, the overall economic benefit is estimated at over \$31 million.

Total Project Cost: \$15,210,000

