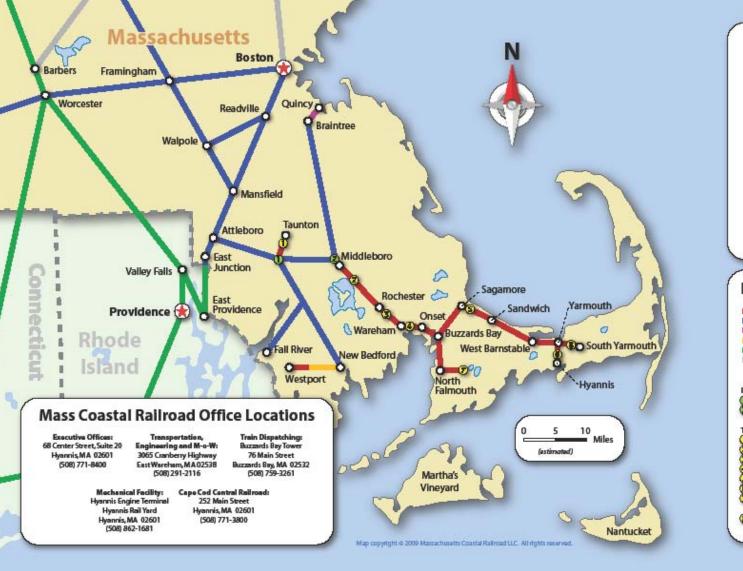
RTAC Freight Committee November 18, 2009



"Opportunities and Challenges Facing Short Line Operators in Massachusetts"





Customer Service and Marketing:

Phone: (508) 771-8400 Fax: (508) 771-8402

www.masscoastal.com

A Cape Rail Inc. Company



Mass Coastal Railroad CSXTransportation (Our Class 1 Partner)

Fore River Transportation Bay Colony Railroad

Providence & Worcester Railroad Pan Am Railways

Station

Interchanges

Taunton, MA (TAUNT) - CSXT Middleboro, MA (MIDBO) - CSXT

Transload Facilities and Public Tracks:

Gallo Construction Co.-Taunton Capeway Rail Terminal - Middleboro

Rochester Public Track Wareham Public Track

Sagamore Truck & Rail Co. - Sagamore

Hyannis Public Track

Upper Cape Regional Transfer Station -North Felmouth (MSW)

Yarmouth Transfer Station

- South Yarmouth (MSW)

Opportunities.....



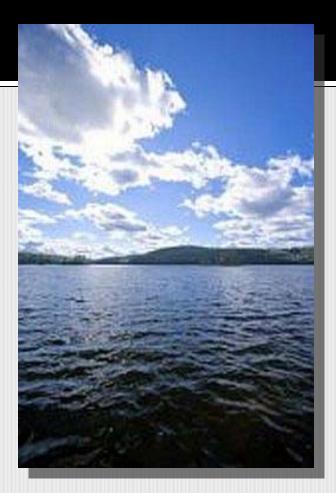
- Large, "consuming" market which has not yet received a significant sales/marketing focus by the Class 1 railroads.
- CSX (and predecessors) want to "pull back."
- For transportation customers, short line operation of Class 1 lines means opportunity for:
 - better service
 - intense focus on price competitiveness

Challenges.....



- Large, "consuming" market!
 - limited manufacturing and natural resources
- Commonwealth does NOT currently recognize the value of its rail freight system.
- 286 is required!
- Living with passenger operations:
 - can be done safely!
 - liability a key issue

Economic and Environmental Competitiveness Needs to be Marketed and Sold





How railroads compete environmentally



(source: GO21 and the AAR)

1. Energy Efficiency

- ✓ A freight train can move close to four times as much cargo as a truck per gallon of fuel.
- ✓ According to a study by researchers at the Argonne National Laboratory and the U.S. Department of Energy, "Economic and institutional solutions that encourage *rail use offer the greatest potential* for reducing energy and environmental impacts from freight transport."

How railroads compete environmentally



(source: GO21 and the AAR)

2. Emissions and Pollution Reduction

- ✓ The EPA estimates that for every ton-mile, a typical truck emits
 roughly three times more nitrogen oxides and particulates than
 a locomotive.
- ✓ Every ton of freight moved by rail instead of highway reduces greenhouse gas emissions by *two thirds*.

How railroads compete environmentally



3. <u>Highway Congestion Relief</u>

✓ One railcar can carry the same amount of freight as two to five trucks.

The Mass Coastal Energy Train removes over 12,000 truck trips per year from the Cape's roads and the two Cape Cod Canal (highway!) bridges.





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Thank you for the opportunity to speak with you today.