

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

Finance Docket No. 34797

**New England Transrail, LLC, d/b/a Wilmington & Woburn Terminal Railway—Petition
For An Exemption From 49 U.S.C. § 10901 To Acquire, Construct And Operate As A Rail
Carrier On Tracks and Land In Wilmington and Woburn, Massachusetts**

**ORAL ARGUMENT of FRANK S. DeMASI IN SUPPORT OF THE GRANTING OF A
RAIL TERMINAL FOR NEW ENGLAND TRANSRAIL, LLC IN WILMINGTON,
MASSACHUSETTS**

My name is Frank DeMasi. I retired from the Defense Contact Management Agency, Boston, as a manager, and a Certified Department of Defense Acquisition Professional. I actively advocate planning and enhancing efficient modes of transportation in Massachusetts by participating in local and regional forums for improving public transit, modernizing a multi-modal freight transportation system. I apprise state and local planners of the relationship between transportation and economic development, land use, and the environment. I have represented Wellesley, Massachusetts at the Metropolitan Area Planning Council, MBTA Advisory Board, and the Boston MPO Regional Transportation Advisory Council (RTAC) in Eastern Massachusetts. I am now Vice Chairman of the Regional Transportation Advisory Council and former co-chairman of its Freight Committee.

The rapid decline of freight rail capability, performance, and access, in the Boston Metro Region became vividly apparent during my oversight of Department of Defense contractors in my area of responsibility in Massachusetts and New England. Contractors under my unit's surveillance and support were engaged in receiving and shipping millions of dollars of goods and materials to and from Massachusetts and New England. Beginning in the 1990's until my retirement from the Defense Department in 2002 virtually all of the freight which had moved on Government Bills of Lading via rail and sea were shifted to truck because of the lack of adequate rail and port infrastructure and service in the region.

Based on my professional experience, there is an overwhelming demand for a well-located rail Trans-Load facility such as that proposed by New England Transrail, LLC (NET). The proposed NET site is ideally located, close to the core of the Metropolitan area, with easy access to two of the region's major interstate highways.

The advent of the subsidized interstate highway system over the last half-century contributed to the decline of rail freight transportation. More recently railroads in the North East, which owned extensive parcels of land in Eastern Massachusetts used for transfer terminals and other support functions, realized skyrocketing real estate values in the Boston Metropolitan area. Having a lack of capital for maintaining redundant track and facilities, and with declining rail freight demand, railroads in Massachusetts saw greater profits in selling off these parcels for real estate development than continued use in their transportation functions. These sales eventually hindered the railroads' ability to transfer freight between rails and trucks for local deliveries, which furthered the decline in rail freight.

This trend continues with the current commercial, retail, and residential development of: a vital Pan Am Railway Rail Yard across from downtown Boston in Somerville; abandonment of the Mystic Warf Branch Rail connections to the docks and terminals located on the Mystic River and Chelsea Creek; sale of land occupied by the Beacon Park Rail Yard (CSX) in Allston to Harvard University, which will limit the transfer functions of that yard; and the disruption of rail connections to Conley Terminal in South Boston by the "Big Dig" highway project.

The Federal Highway Administration projects that if we do not change our transportation system, freight transported by long haul truck will increase 63% in the next dozen years over Massachusetts' already congested highway system as measured in 1998. I have included a discussion on these specifics in the attached Appendix.

Clearly the use and rehabilitation of existing rail lines and expansion of rail multi-modal trans-load facilities are needed to sustain the economic viability of Massachusetts as the projected increases in demand to move freight are realized. Reliance on trucking to move this increased demand over the existing highway system, with our constrained ability to add to its capacity, is not a viable strategy.

In view of this worsening crisis in transportation capacity shortfall, I fully support the NET proposal. The beneficial environmental, social, and fiscal impacts of diverting freight from truck to rail on traffic congestion, air pollution, highway safety, highway maintenance and repair costs, and noise, have been well documented and are attached in the Appendix. The freight rail trans-loading terminal proposed by NET would reduce the heaviest type of Truck Vehicle Miles traveled in the Boston Metro Region. It is projected that such a facility would handle about 25 railcars per day, eliminating the need for over 250 one-way long-haul truck trips daily, greatly reducing road and highway congestion and further degradation of roads and bridges in our region.

Class I and Regional railroads have been disinvesting in Eastern Massachusetts. The NET project is privately financed with new sources of entrepreneurial capital for the rail industry. This means that the NET transportation infrastructure benefits will not detract from public funding for other regional freight and passenger transportation programs. To the contrary, the air quality benefits of building such a facility could enable the Commonwealth to address critical transportation needs by helping to satisfy federal regional clear air requirements.

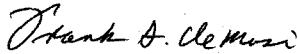
NET's proposed enterprise is the type of facility that will be required to revitalize rail freight transportation in the Boston Metro Area. The Wilmington terminal will handle a wide range of in-bound and out-bound products and materials, from bio-fuels, with its new and rapidly growing transportation infrastructure demands, to more traditional commodities like corn syrup, lumber, steel, paper and other bulk commodities inbound. Since eastern Massachusetts' major export is waste

products, waste will be a major component of the terminal's outbound freight. I believe that vested interests in the solid waste industry, with businesses tied to long-haul trucking or local garbage burning incinerators has opposed the Wilmington project for fear that it will undercut their markets and pricing.

Rail freight presents an overwhelming pricing advantage over trucking because of rail's inherent transportation efficiencies, and diversion of freight from truck to rail will save Massachusetts and its municipalities tens of millions of dollars per year in waste disposal costs.

Consequently, to embrace an economically driven, multi-modal freight transportation policy in Massachusetts, make better use of and sustain available freight rail capacity, improve the efficiency of movement of freight in general, deal with the rising and forecast unmet demands of moving greater amounts of freight in the near future, including providing for enhancement of national security and emergency response preparedness; in particular, the STB should expeditiously grant NET's Petition.

Respectfully submitted,



Wellesley, Massachusetts

April 19, 2007

Appendix attached

APPENDIX

Source data for Oral Argument STB Finance Document No. 34797 Truck impacts on congestion, and environment in Massachusetts

. Currently over 94% of all freight moved in Massachusetts now travels by truck. The Federal Highway Administration calculates 162 million tons of freight moved over Massachusetts highways in 1998, forecasts 222 million tons by 2010, and 268 million tons by 2020. All this truck traffic, combined with unavailable resources to maintain them, has seriously compromised the state's roads and bridges. Massachusetts is experiencing a tremendous shortfall in funding to repair its ailing bridges and highways. It is expected that the poor condition of these bridges will be further exacerbated by the forecast increases in truck VMT over the next decade. Massachusetts has 2,800 center-lane miles of highways and 4,400 bridges. According to the Massachusetts Highway Department only 63% of our bridges meet FHWA standards, 25% are functionally obsolete, and 12% are structurally deficient. A recently released Massachusetts Transportation Finance Commission report finds there exists a \$15-19 billion gap in projected funds to maintain our existing transportation system in good repair over the next 20 years, excluding any expansion projects.

Traffic congestion has a major impact on Massachusetts' residents in its urban areas as well as impacting the cost, reliability and health of the trucking industry. The Massachusetts Highway Department has found that Vehicle Miles Traveled has grown disproportionately to miles of road added and increase in population between 1980 and 2000. While population in Massachusetts has grown 11 %, and miles of road expansion increased by only 5%, VMT has increased by 49%.

Hidden costs of long haul trucking are: pavement wear and tear, 18 cents per mile; congestion costs, 5 cents; accident costs, 27 cents; excess user costs, 8 ½ cents; and noise impacts, 8 ½ cents. These costs are based on constant highway driving and average national conditions, and do not take into account the higher costs encountered

Eastern Massachusetts with greater stop-and-go traffic that increase air pollution, more overpasses and elevated roadways which increases pavement wear and tear, and higher construction and labor costs.

In addition to reducing transportation costs for local businesses and consumers, a report commissioned by New England Transrail, LLC (NET) following similar FHWA and academic studies shows benefits of over \$170 million annually from reductions in congestion; decreased pavement wear, reduced air pollution; and reduced noise impacts, accidents, and user costs. Presently, these costs are borne by the general population and local governments throughout the Commonwealth. On a national average, trucks generate 10 times sooty particulates and hydrocarbons on a per ton per mile basis than rail freight, and almost 3 times the nitric oxides and carbon monoxide. The report estimates annual reductions in key diesel emissions, depending on average payloads, in the following ranges:

Carbon Monoxide (CO)	165-391 tons
Nitrogen Oxides (NOx)	1,005-2,404 tons
Volatile Organic Compounds (VOC)	13-38 tons
PM 10	24-59 tons
PM 2.5	20-49 tons
Carbon Dioxide (CO2)	79,712-196,988 tons

Annual reduction in diesel fuel ranges from 7.6 million gallons to 18.8 million gallons. (The emissions and fuel reduction numbers are conservative since they are based on steady speed rural driving conditions and lower than speed-limit speeds of 55 mph).

Based on data compiled by the US EPA and American Association of State Highway and Transportation Officials, the health impact costs from medical bills and loss of earnings due to illness or premature death from this Increase in the source of air pollution from long-haul trucking based on 1997 dollars equals 2 ½ cents per ton for each 10-miles traveled. Assuming that on average a long-haul truck traveling to or from Massachusetts hauls 20 tons of freight that equates to a hidden cost of 5 cents per mile borne by the Massachusetts residents.

If we are not to suffer greater air pollution, larger hidden costs borne by all of us, and reduced quality of life from time-consuming congestion, we must foster changes to our freight transportation system. A critical aspect for the revitalization of rail freight in the Boston metropolitan area as part of a healthy and robust national rail freight system is development of rail terminals necessary to allow an interface between long-haul rail transportation to transload freight for local truck deliveries or pick ups to serve local markets.