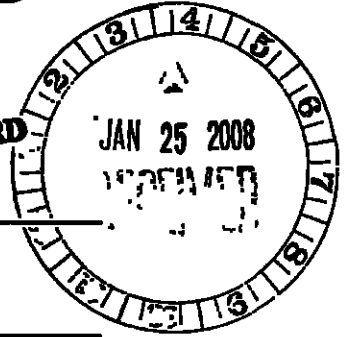


FEE RECEIVED

JAN 25 2007

**BEFORE THE SURFACE
TRANSPORTATION BOARD**



STB DOCKET NO. AB-103 (Sub- No. 21X)

**ENTERED
Office of Proceedings**

JAN 25 2008

**Part of
Public Record**

**KANSAS CITY SOUTHERN RAILWAY COMPANY
ABANDONMENT EXEMPTION
LINE IN WARREN COUNTY, MS**

FILED

JAN 25 2007

**SURFACE
TRANSPORTATION BOARD**

**REQUEST TO ESTABLISH
CONDITIONS AND COMPENSATION FOR FINANCIAL ASSISTANCE**

1. Raymond B. English and James Riffin ("E&R"), in their individual capacities, jointly, pursuant to 49 U.S.C. 10904 and 49 CFR 1152.27, on **December 21, 2006**, offered to purchase a rail line owned by the Kansas City Southern Railway Company ("KCSR"), which line is the subject of the above-captioned abandonment proceeding ("Offer"). The line that is the subject of the above Abandonment Exemption, extends from Milepost ("MP") 225.6 to MP 229.85, a distance of 4.25 miles, and is situated in Warren County, Mississippi ("Line")

2. In a decision served on January 17, 2008, the Board extended the deadline for the parties to request the Board to establish terms and conditions for the purchase of the Line to **January 25, 2008**.

3. The parties have been unable to agree on the amount or terms for purchase of the Line. Consequently, E&R herewith respectfully request the Board, pursuant to 49 CFR 1152.27(g) and (h), establish the conditions and compensation for purchase of the Line

4. E&R's Offer is composed of **two separate parts**. **Part one** is for that portion of the Line that extends from MP 225.6 to approximately MP 227.5, a distance of approximately 1.9 miles, or to the end of the track that is presently on the ground, which track ends a few hundred feet past a spur track which Foam Packaging, Inc. uses to offload inbound cars containing polystyrene ("Segment").

5. **Part two** of E&R's Offer is for that portion of the Line that extends **from MP 227.5 to MP 229.85**, a distance of approximately 2.35 miles, or to the end of the Line that is the subject of the above entitled proceeding ("**Remainder**").

POINTS OF AGREEMENT

6. **Segment portion of Line (MP 225.6 to MP 227.5 or 1.9 miles):**

A. **Real estate:** The underlying right-of-way consists of about **23 acres**. [1.9 miles x 5280 ft/mi x 100 ft width = 1,003,200 SF or approximately 23 acres.]

B. **Real estate value:** KCSR and the City of Vicksburg have a contract which states the City of Vicksburg is willing to pay **\$4,500.00 per acre** for the right-of-way, whether title to the real estate is held in fee simple or is reversionary (§ 2). The contract further stipulates KCSR and the City agree to split transfer costs (§ 14); to pro rate annualized expenses, such as property taxes, etc. (§ 14); the property is to be transferred free of all liens and encumbrances (§ 8); title to include all the bridges, and any and all other items on, appurtenant to, or associated with, the Line, excepting the Rail Materials, including any and all interests, legal or equitable, that KCSR may have in, or which is associated with, the Line, including all licensing and any other agreements associated with the Line (§1). The Contract further stipulates that **any rail materials remaining on the right-of-way more than 90 days after the Railway Property Closing Date shall become the sole property of the City of Vicksburg (§ 1)**.

C. **Turnouts:** The Segment portion of the Line has three turnouts, valued as follows:

- a. Power plant #10 turnout: **\$5,000.00.**
- b. The two additional turnouts have a salvage value of \$1,750.00 each, or **\$3,500.00** for both.

D. **Cross ties:** At 3,168 ties / mile, 1.9 miles of line would contain about **6,020 ties**.

- a. About 21% of the ties (1,250) are reusable, and might be sold for \$18.00 each retail.

Potential revenue reusable ties: 1,250 ties at \$18.00 ea = \$22,500.00

- b. About 44% of the ties (2,650) are landscape quality, and might be sold for \$6.00 each retail.

Potential revenue landscape ties: 2,650 ties at \$6.00 ea = \$15,900.00

- c. About 35% of the ties (2,120 ties) would have to be scraped. Scrap ties weigh about 150 pounds each. 2,120 scrap ties would weigh about 318,000 pounds, or about 160 tons. 160 tons of scrap ties would have to be disposed of in a hazardous waste landfill site.

Total potential revenue from selling reusable and landscape ties: \$38,400.00

E. Metal:

- a. The Segment contains about 0.9 miles of relay quality 112# rail, which, at 197.1 tons / mile equates to **177 tons of relay quality 112# rail**.
- b. The Segment contains about 0.05 miles of relay quality 115# rail, which, at 202.4 tons / mile equates to **10 tons of relay quality 115# rail**.
- c. The Segment contains about 0.03 miles of **reroll quality 115# rail** and about 0.54 miles of **reroll quality 112# rail**, which in total weighs about **112 tons**.
- d. The Segment contains about 0.02 miles of **115# scrap rail** and about 0.36 miles of **112# scrap rail**, which in total weighs about **75 tons**.
- e. The Segment contains about **10 tons of spikes**.
- f. The Segment contains about **12,038 tie plates**.
- g. The Segment contains about **3 tons of bolts and washers**.
- h. The Segment contains a number of **rail anchors**, which have a value of **\$3,200.00**.
- i. The Segment contains a number of **joint bars**, which have a value of **\$1,600.00**.
- j. The Segment contains two public and three private crossings.

7. Remainder portion of the Line (MP 227.5 to MP 229.85 or 2.35 miles):

A. **Real estate:** The underlying right-of-way consists of about **28.5 acres**. [2.35 miles x 5280 ft/mi x 100 ft width = 1,240,800 SF or approximately 28.5 acres.]

B. **Metal:** Sometime prior to KCSR's acquisition of the Line in 1993, the track material and cross ties were removed.

POINTS OF DISAGREEMENT

8. Real Estate Value:

A. KCSR believes the real estate has a total value of approximately \$247,500.00. This value is based on the City of Vicksburg contract, wherein the City of Vicksburg agreed to purchase the Line for \$4,500.00 per acre. (The total acreage in the Line is 55 acres. 55 acres at \$4,500 per acre equates to \$247,500.)

B. E&R have divided their offer to purchase into two portions: E&R desire to purchase the **Segment portion**. The Segment portion contains immediately usable track material, has been cleared of vegetation, and has bridges that have been maintained. Since the Segment is a functional line of railroad, E&R would agree the **\$4,500 per acre** offered by the City of Vicksburg for this portion of the Line, is the fair market value for this portion of the Line.

C. Only Riffin desires to purchase the **Remainder portion** of the Line, for the sole purpose of preserving this rail corridor for possible future rail use. Since this portion of the Line does not contain any track material, is extensively overgrown with vegetation, the bridges have not been maintained for at least the past 15 years, and a substantial portion of the Remainder is subject to reversionary interests (and thus has no Net Liquidation Value), Riffin would argue this portion of the Line **is not** worth \$4,500 per acre. In addition, Nancy Thomas, general counsel for the City of Vicksburg, has stated to Riffin, **twice**, that if the City cannot purchase the entire line, it has no desire to purchase the Remainder portion of the Line, and will exercise its right to "be released from any obligation to purchase the Railway Property." [See ¶ 11(b) of Purchase and Sale Agreement, and see ¶ 11 (a) of Second Amendment to Purchase and Sale Agreement (**Exhibit A.**)]

D. Riffin has offered to purchase the Remainder portion of the Line for \$4,500 per acre that is held in fee simple, with a cap of \$45,000. The deeds Riffin consulted, indicated about half

of the line was held in fee simple, and half of the line was reversionary (KCSR only has an easement, which will self-extinguish if the Line is not used as a line of railroad). Board precedent has held that real estate that is subject to a reversionary interest, has no legally cognizable value in an OFA proceeding. The Board should be cognizant of the fact that if the Board finds that the Remainder portion of the Line, in its present condition, has a value that is greater than \$45,000.00, Riffin will decline to purchase the Remainder portion. Were that to happen, the City would also decline to purchase the Remainder portion, which means KCSR would retain title to the Remainder portion. And since the Remainder portion has no track material, it could be argued abandonment will effectively be consummated as of the effective date of KCSR's abandonment authority. And once the Remainder portion is abandoned, all reversionary portions will automatically revert back to the original land owners. To put it another way: If the Board finds Riffin's offer is reasonable, KCSR will realize \$45,000. If not, then KCSR will realize nothing. Furthermore, Riffin would argue his \$45,000 offer is a fair price, given the fact that KCSR's predecessor's in title unlawfully (without Commission or Board authority) removed the track material.

9. Value of Metal:

A. The parties have reached an agreement regarding the value of the turnouts (\$8,500), rail anchors (\$3,200) and joint bars (\$1,600). The parties have reached an agreement regarding the number of tons of relay rail (187 tons), reroll rail (112 tons), scrap rail (75 tons), spikes (10 tons), bolts and washers (3 tons), and the total number of pieces of tie plates (12,038 pieces). The parties disagree on the value per ton to be ascribed to these various pieces of metal.

B. E&R have provided the Board with two bids from two local scrap metal buyers. The high bid was \$120.00 per ton, fob at the scrap dealer. One scrap metal buyer indicated he would charge \$5 per ton to transport the metal from the Line to the scrap dealer. The total quantity of metal at issue is **455 tons** [relay rail: 187 tons; reroll rail: 112 tons; scrap rail: 75 tons; spikes: 10 tons; bolts & washers: 3 tons; tie plates: 68 tons (12,038 pieces at 11.28 lbs ea = 67.9 tons)]. E&R would argue the value of this 455 tons of metal would be: 455 tons at \$120 / ton = **\$54,600, fob at the job site, or \$52,325 fob at the scrap dealer** (\$5 / ton reduction to transport

the metal to the scrap dealer).

C. KCSR has argued the metal has a value ranging from \$300 per ton (for spikes), to over \$800 / ton for relay quality rail. To date, KCSR has not provided any basis for these values. In a filing submitted to the Board on November 30, 2007 by KCSR's law firm, Baker & Miller, Baker & Miller argued the value of track material should be based on AMM Scrap Iron & Steel Prices.¹ The Board has previously held the appropriate price for scrap metal should be an average of the AMM Scrap Iron & Steel prices over the previous 6 month period of time.

D. If one were to use the AMM Scrap Iron & Steel prices, then one would have to factor in the cost to transport the metal to the nearest AMM buyer, which appears to be in Houston, Texas, or some 500 miles from Vicksburg, MS. Since it costs approximately \$3 / mile to transport scrap metal by truck, and it costs approximately \$2 / mile for the return (non-load) trip, or \$5 / mile per one-way mile, and since Houston, TX is about 500 miles distant, it would cost approximately \$2,500 per 22-ton truck load to transport scrap metal to Houston, which works out to about \$115 / ton. On November 18, 2007, the price being paid for No. 1 RR Heavy Melt was \$250 per ton. Less the \$115 / ton cost to transport the scrap metal to Houston, would leave a net value of \$135 / ton, which is close to the price the local scrap dealer would pay.

E. KCSR has argued the rail is relay quality, and as such, could be sold at a price that is much higher than scrap value. However, in determining the value of relay-quality rail, one needs to take into consideration the additional cost associated with **carefully** removing the rail (to prevent damage to the rail), the additional handling costs that would be involved (the rail would have to be transported to a storage site, placed into storage, then handled a second time when it was loaded onto a truck / rail car to be transported to the buyer's location), the cost of storing the rail until a buyer appeared, and the present value of revenue that would be received some time in the future.

¹ See Attachment 7 of Baker & Miller's November 30, 2007 filing in STB Docket No. AB-156 (Sub-No. 26X), *Delaware & Hudson Railway Company, Inc. d/b/a Canadian Pacific Railway Company – Abandonment Exemption – in Albany County, NY.*, a copy of which is attached hereto as **Exhibit B**.

F. Carefully removing relay rail: If rail is to be scraped, and it is welded rail (as most of the rail is on this Line), then it can be cut into convenient lengths either with a torch, or with a shear. The spikes do not need to be removed, for a hydraulic excavator could grip the rail and physically pull the rail away from the ties. Removing rail in this manner would bend and twist the rail. However since the rail was being scraped, bending and twisting the rail would not matter. However, if the rail is to be reused as relay rail, then the spikes have to be removed with a spike puller. A good spike puller could remove the spikes from two tie plates per minute. Removing the spikes from 6,336 spike plates per mile, would require 3,168 minutes, or about 53 man / machine hours, which at \$75 per hour (for machine plus operator) would cost about **\$4,000**. Then the rail would have to be cut with an abrasive saw. (Using a torch on rail destroys the temper in the rail, and leaves a very jagged edge, which cannot be abutted to another piece of rail.) A 16-inch abrasive wheel can make two rail cuts before it is worn out. Abrasive wheels cost about \$12 per wheel. Cutting a mile of welded track into 50-foot lengths (the length of a typical hi-boy semi-trailer), would require 210 cuts, or 105 abrasive wheels at \$12 each or **\$1,260**. A good saw operator could make about 8 cuts per hour. 210 cuts would require 26 man hours, which at \$50 per hour (operator plus machine), would equate to **\$1,300**. Thus, removing rail carefully, would increase the cost of removing the rail by \$6,560 per mile, or by about **\$12,500** for the 1.9 miles of rail that is on this Line. Since there is approximately 300 tons or relay / reroll rail on the Line, this additional \$12,500 cost equates to **\$42 / ton**. Transporting, then handling this rail twice, would cost about \$400 per truck load, or about **\$18 / ton**. Storing 14 truck loads of rail (14 truck loads at 22 tons ea = 300 tons) would cost about \$420 per month. [Typically it costs \$2 / day to store a truck. Figure two truck loads can be stacked on top of each other. So one would need sufficient space to store 7 truck loads of rail, which at \$2 / day, equates to \$420 / 30-day month. (7 truck loads at \$2/day at 30 days = \$420 / 30 days). If one assumes it would take 24 months to find a buyer for the rail, the storage costs would amount to \$10,000, or about **\$33 / ton**. Since one would receive revenue from selling the rail some time in the future (say, 2 years later), that future revenue would have to be discounted to determine the present value of that future income. If the cost of capital was 10%, then this future income would have to be discounted by approximately 20%. If one ultimately got \$800 per ton for relay rail, this \$800 in future revenue would have a present value of about \$640 / ton. Subtracting the additional costs associated with carefully removing the rail (\$93 / ton), would leave a net value of

about \$540 / ton. While \$540 / ton is more than \$120 / ton, there is no guarantee one would actually get \$800 / ton. How much demand is there for 112# relay rail?

10. **Actual value of metal:** The contract with the City of Vicksburg states the metal would become the property of the City, if it was not removed within 90 days after the Railway Property Closing Date. If the metal was not removed within 90 days after closing, its value would plummet to zero. In *BNSF Railway Company – Abandonment Exemption – In Oklahoma County, OK*, AB-6 (Sub-No. 430X), the BNSF was granted authority to abandon 2.95 miles of line. Today, some **27 months** after abandonment authority was granted, the track material still has not been removed. If the BNSF cannot remove 3 miles of line in 27 months, what is the probability that KCSR could remove 2 miles of line in just 90 days? Particularly in light of the Environmental Compliance requirements that are discussed below.

ENVIRONMENTAL COMPLIANCE COSTS

11. The last three abandonment exemptions granted by the Board, have included a requirement that the rail carrier **must** “comply with the reasonable requirements of the NPDES Storm Water General Permit Program, and report the results of these consultations in writing to the SEA prior to commencement of any salvage activities.”² The NPDES regulations can be found at 40 CFR 122.26. These regulations state that if one proposes to disturb between one and five acres of land, one must first obtain a Small Construction Water Permit. If one proposes to disturb more than 5 acres of land, then one must first obtain an Individual Construction Water Permit. In prior rulings, the Board has stated rail carriers would be subject to provisions of the Clean Water Act, such as the NPDES regulations in 40 CFR Part 122.

12. Mississippi has adopted 40 CFR Part 122 [See Mississippi Department Environmental Quality (“MDEQ”) regulation WPC-1]. MDEQ’s permitting requirements can be found in Mississippi Code Article 49, §17-29. (See pp. 132-136, 2007 Supplement). Storm Water

² *Georgia Southwestern Railroad, Inc. – Abandonment and Discontinuance Exemption – In Harris and Meriwether Counties, GA*, Served December 21, 2007; *CSX Trans. – Abandonment Exemption – In Niagara County, NY*, STB Docket No. AB 55 (Sub-No.649X), Served January 4, 2008; *Bessemer and Lake Erie Railroad Company – Abandonment Exemption – In Butler County, Pa*, Served January 7, 2008.

Management in Mississippi is regulated by local Storm Water Management Districts. See Mississippi Code Article 51, Chapter 39. Mississippi's solid waste disposal statutes may be found in Mississippi Code Article 17. Mississippi also imposes a fee on generators of hazardous waste. The schedule of fees may be found at Mississippi Code Article 49, §31-25. The fee for generating 100 to 1,000 tons per year of hazardous waste is currently **\$1,500**.

13. **Cross ties.** Cross ties are considered hazardous waste, since they contain creosote, a known carcinogen. Were KCSR to abandon the Segment, approximately 2,120 scrap cross ties would need to be disposed of. At an average weight of 150 pounds per scrap cross tie, 2,120 cross ties would weigh approximately 318,000 pounds, or about 160 tons. Were KCSR to abandon the Segment, Mississippi would impose a hazardous waste generator fee upon KCSR in the amount of **\$1,500**.

14. **Phase II Environmental Assessment.** Were KCSR to abandon the Segment, KCSR may be required to conduct a Phase II Environmental Assessment of the track bed, due to leaching of creosote from the cross ties. If the Phase II Assessment found that the levels of creosote in the ballast material exceeded permissible limits, then KCSR would be required to remove the contaminated ballast material, then dispose of it at an approved hazardous waste disposal site. The Phase II Assessment would cost a minimum of \$20,000. Removing contaminated ballast material could cost millions of Dollars. For the purpose of this Offer, the Offerors will not speculate on what the cost of any environmental assessment or remediation might be.

15. **Type of land disturbing activity permit required.** If KCSR were to abandon the Segment, KCSR would have to remove the cross ties, which would disturb 'land.' **IF** the width of the area disturbed was **less than 21.7 feet wide**, then the land disturbing activity would be eligible for a General Permit. [If one proposes to disturb less than 5 acres, the activity may be permitted under the General Permit procedures. A strip of dirt 21.7 feet wide by 1.9 miles long would be about 105 SF less than 5 acres.] If the area disturbed could / would exceed 5 acres, then KCSR would be required to apply for, and obtain, an Individual Permit. Needless to say, the cost of preparing the requisite application for an Individual Permit would be substantial. For

the purpose of this Offer, the Offerors will presume KCSR would be eligible for a General Permit.

16. NPDES General Permit requirements. The Project Sponsor (KCSR) would have to prepare, then submit, a Stormwater Pollution Prevention Plan (“SWPPP”). This Plan would have to demonstrate how sediment runoff from the disturbed land would be controlled. At a minimum, the Plan would have to indicate the Project Sponsor proposed to install standard silt fencing on the low side of the land to be disturbed. (**Standard silt fence = \$4.30 / LF.** See the attached **Exhibit C, H&H Dirtworks quote.**) If the gradient adjacent to the proposed silt fence was more than 1:3, reinforced silt fencing would have to be installed. [Reinforced silt fencing means a 3-foot high chain-link fence has to be installed on the down-side of, and in contact with, the silt fence. The chain-link fence helps prevent the silt fence from falling over. See **Exhibit I.**] (**Reinforced silt fence = \$12.55 / LF.** See the attached **Exhibit C, H&H Dirtworks quote.**) If stormwater runoff from the disturbed land was likely to pond on the disturbed-land side of the silt fence, then the Plan would also have to include “silt interceptors / separators.” [Large tanks with baffles inside, which prevent sediment from exiting the tank.] These tanks typically cost \$2,000 to \$5,000 each, and cost \$2,000 to \$10,000 to install, and another \$2,000 plus to remove. The Offerors presently do not have sufficient information to form an opinion regarding how many sediment separation tanks would have to be installed.

17. SWPPP: Mississippi’s Environmental Regulations mandate a Small Construction Storm Water permit (a 30-page document which Riffin has obtained and read. Available at: www.deq.state.ms.us.) must be obtained prior to any land disturbing activities involving more than one acre. See **Exhibit D.** On page 9 of that permit, the permit states “At a minimum, the controls must be in accordance with the standards set forth in “Planning and Design Manual for the Control of Erosion, Sediment & Stormwater.” (“Manual”) (A 600 plus page book, which Riffin has acquired and read. It is available at: <http://abe.msstate.edu/csd/p-dm/>) Chapter 2 of the Manual gives an overview of what a SWPPP must contain. See **Exhibit E.** One of the requirements, is that the SWPPP must be prepared by a Mississippi professional engineer. E&R solicited bids from two professional engineers in the Vicksburg area who have expertise in

preparing SWPPPs. Both engineers stated they would charge **\$10,000.00 to prepare a SWPPP** that would be appropriate for the land disturbing activities associated with removing the track material and ties from the Line. See **Exhibit F, quote from Jerry Montgomery, P.E. and Exhibit G, quote from Carpenter Engineering.**

18. Chapter 4 of the Manual – Best Management Practice Standards – states a Construction Entrance / Exit **must** be constructed “at points of vehicular ingress and egress on a construction site.” See **Exhibit H.** Jerry Montgomery, P.E., stated in his bid that a typical construction entrance / exit would cost **\$3,500 to install, and an additional \$3,500 to remove** (see ¶ 23, below) after construction activities had been completed. See **Exhibit F, quote from Jerry Montgomery, P.E.**

19. The Manual would require a construction entrance / exit, be installed at each point where vehicles could access the right-of-way from a road. Since there are 5 crossings on the Line, 10 construction entrances / exits would have to be installed, then removed after the site had been stabilized. (At each crossing, there would be two access points, one on the north side of the road, and one on the south side of the road.) While installing / removing these construction entrances / exits, would be expensive (**10 at \$7,000 each = \$70,000.**), they would at least minimize the distance one would have to drive equipment / trucks along the right-of-way before reaching a road.

20. The Manual requires dust control measures be implemented. As of the date of this writing, E&R have not been able to obtain a quote for providing dust control.

21. The Manual requires sediment controls be placed at the lowest elevation of the site. Since the Line is elevated above the surrounding land, sediment controls in the form of sediment control fencing, would have to be installed on both sides of the right-of-way, for a total of 20,064 linear feet. (10,032 feet on each side of the right-of-way.) 20,064 lf of silt fencing at \$4.30 / lf would cost about **\$86,300.** See **Exhibit C, H&H Dirtworks quote.** After the site had been stabilized, the silt fencing would have to be removed. See ¶23, below. It would cost at least

\$1.00 per lf to remove and dispose of the silt fencing, or **another \$20,000.00 to remove 20,000 lf of silt fencing.**

22. The Manual requires the site be stabilized with seed and mulch after the land disturbing activities have been completed. If one were careful to disturb a strip of land only 20 feet wide (10-foot width of roadway adjacent and parallel to tracks, for movement of trucks and equipment, plus 10-foot width of track bed), the total land disturbed would be 200,000 SF. (1.9 miles = 10,032 feet. A strip of dirt 10,000 feet long by 20 feet wide equals 200,000 SF.) At \$0.55 per SF to seed and mulch (See **Exhibit C, quote from H&H Dirtworks**), it would cost **\$110,000 to seed and mulch** the disturbed area.

23. Mississippi's Solid Waste Disposal regulations prohibit leaving construction debris at a construction site after construction is completed. See Mississippi Code Article 17 generally, and §§ 17-3 (j) and (dd) (Definitions) and 17-17 (Unauthorized dumps) in particular. Consequently, any silt fencing erected on the Segment would have to be removed and disposed of after the rails and cross ties had been removed, and after the Segment had been stabilized. (Cost to remove silt fencing: About **\$1.00 per linear foot** or **\$20,000 to remove 20,000 lf of silt fencing.**)

24. **Cost to comply with environmental regulations.**

A. **Sediment controls / Standard silt fencing.** It costs \$4.30 per linear foot to have silt fencing installed. It costs \$1.00 per linear foot to have silt fencing removed and disposed of. Silt fencing would have to be installed on both sides of the track, since both sides of the track are lower than the track bed. [Silt fencing must be installed along the lowest elevation of the site.] Installing silt fencing along both sides of the 1.9 miles of right-of-way that has crossties on it, would require 3.8 miles of silt fencing, or **20,064 linear feet of silt fencing**, which at \$5.30 per linear foot to install and remove, would cost approximately **\$106,300.00.**

B. **Sediment controls / Reinforced silt fencing.** The Offerors will presume 1,200 linear feet of reinforced silt fencing (3-ft high cyclone fencing adjacent to silt fence) would have to be installed. [300 linear feet each on the east and west side of the tracks, on the north and

south approaches to one bridge which crosses a creek. The track bed for the approaches to this bridge is approximately 15 feet higher than the adjacent ground. The slope gradient of the approach embankments is 1:2 or steeper.] 1,200 LF of 3-ft high cyclone fencing at \$8.25 / lf = **\$10,000.** See **Exhibit C, H&H Dirtworks quote.**

C. Storm water discharge controls. In addition to installing silt fencing, wherever storm water is likely to pond, sediment separation tanks must be installed. Depending on the size of the tank, these tanks cost \$2,000 to \$5,000 each, cost \$2,000 to \$10,000 each to install, and cost \$2,000 plus to remove and dispose of. The Offerors presently do not have sufficient information to form an opinion regarding how many sediment separation tanks would have to be installed.

D. Stormwater Pollution Prevention Plan. Were KCSR to abandon the Line, KCSR would be required to hire a sediment control specialist, to design a sediment control plan. The sediment control plan then would have to be submitted to both the City of Vicksburg and Mississippi's Environmental Permitting agency, for approval. See **Exhibit G, Carpenter Engineering quote.** The sediment control specialist would determine how many sediment separation tanks would have to be installed, and where.

E. Site stabilization costs. It costs approximately \$0.55 per square foot to stabilize a site with seed and straw. If the bare minimum amount of land was disturbed, say a strip of dirt 20 feet wide by 1.9 miles long, 200,640 SF of land would have been disturbed. Stabilizing 200,640 SF of disturbed land with seed and straw at \$0.55 per SF, would cost approximately **\$110,000.00.**

PRICE TO BE PAID FOR THE SEGMENT PORTION OF THE LINE

25. **Real Estate:** According to information English & Riffin have been able to obtain (copies of deeds, information provided by KCSR), the right-of-way generally is 100-feet wide between MP 225.6 and MP 227.5. 1.9 miles at 5,280 feet per mile equals 10,032 linear feet. A

strip of dirt that is 10,032 feet long and 100 feet wide, will contain 1,003,200 SF, which at 43,560 SF per acre, equates to 23.03 acres, or 23 acres.

26. The City of Vicksburg, MS and KCSR entered into a Purchase and Sale Agreement (“PSA”), dated April 5, 2007, wherein the City of Vicksburg offered to purchase the Line for \$4,500.00 per acre (see ¶2 PSA), whether KCSR’s interest was reversionary or fee simple. Paragraph 1 of the PSA further stated “The conveyance of the Entire Property from Seller to Buyer shall include any and all appurtenances thereto, any and all improvements located thereon, and any and all easements, right-of-ways and rights of ingress and egress related thereto, with the exception of any rail, ties, or other track material.” Paragraph 8 of the PSA stated at or prior to closing, “Seller, at its sole cost and expense, shall (i) pay all prior year(s) ad valorem taxes (including any interest and penalties) assessed upon the Entire property, and (ii) ... cause the satisfaction, cancellation and termination of record of any monetary liens or encumbrances affecting the Entire Property” including any “non-permitted encumbrances.” Paragraph 14 of the PSA stated “all closing costs associated with this transaction shall be divided equally between Buyer and Seller,” and further stated that “All other items customarily apportioned in connection with the sale of similar properties similarly located ... shall be prorated.”

27. In *1411 Corporation – Abandonment Exemption – In Lancaster County, PA*, STB FD No. AB 581 (Sub-No. X), Served April 12, 2002, the Board stated, on p. 4:

“... the parties will be directed to proceed with the sale of the line under terms and conditions comparable to those terms and conditions stipulated in the Shawnee / Colonial Purchase Contract, except where a provision in the Shawnee / Colonial Purchase Contract plainly is inapplicable.”

28. Since the PSA stipulated KCSR was willing to sell the Line to the City of Vicksburg for \$4,500.00 per acre, whether reversionary or fee simple, and since the Board has previously stated the sell of a line via the OFA process will be under the same conditions as are found in a Purchase Agreement, English & Riffin will offer to purchase the 23 acres of the Line between MP 225.6 and MP 227.5 for **\$103,500.00**. [23 acres at \$4,500 / acre = \$103,500.]

29. **Track material – RAILS:** The PSA stated KCSR was retaining title to the track

material, providing KCSR removed the track material within 90 days of closing. The parties have agreed the Segment contains 187 tons of relay quality rail, 112 tons of reroll quality rail, and 75 tons of scrap rail, or a total of **374 tons of rail**. E&R would argue at \$120.00 / ton (the high bid by a local scrap buyer), this rail has a value of **\$44,900.00**.

30. **Track material – TIE PLATES:** The parties have agreed the Segment contains 12,038 tie plates. Single shoulder tie plates weigh approximately 11.28 lbs each. 12,038 tie plates at 11.28 lbs each, would weigh 135,790 pounds or **68 tons, which at \$120 / ton would have a value of \$8,160**.

31. **Track material – SPIKES:** The parties have agreed the Segment contains 10 tons of spikes, which at \$120 / ton would have a value of **\$1,200.00**.

32. **Track material – SPLICE BARS:** The parties have agreed the splice bars have a value of **\$1,600.00**.

33. **Track material – Bolts and Washers:** The parties have agreed the Segment contains 3 tons of bolts and washers, which at \$120 / ton would have a value of **\$360.00**.

34. **Track material – Rail anchors:** The parties have agreed the Segment rail anchors have a value of \$3,200.00

35. **Track material – TURNOUTS:** The Line contains 3 turn outs. The parties have agreed the turnouts have a value of **\$8,500.00**.

36. Track material – SUMMARY:	Rails:	\$ 44,900.00
	Tie plates:	8,160.00
	Spikes:	1,200.00
	Splice bars:	1,600.00
	Bolts & Washers:	360.00
	Rail anchors:	3,200.00
	Turnouts:	<u>8,500.00</u>
		\$ 67,920.00

37. **Cost to remove track:** In *Delaware and Hudson Railway Company, Inc. d/b/a Canadian Pacific Railway Company – Abandonment Exemption – in Albany County, NY*, STB Docket No. AB 156 (Sub-No. 26X), in an OFA filed on November 30, 2007, which OFA was prepared by Baker & Miller PLLC, which is the same law firm that represents KCSR in this proceeding, in attachment 7 (which is incorporated by reference herein as if fully stated herein), of the OFA, Indus-Rail Co., a recognized expert in the field of railroad building and demolition, on November 19, 2007, stated the Canadian Pacific Railroad Company's cost to remove track is \$4.55 per track foot, and the cost to retire rail crossings is \$3,000.00 per crossing. The Line contains 10,032 track feet. At \$4.55 per track foot, it is estimated the **cost to remove the track material would be \$45,646.** [10,032 feet at \$4.55 / foot = \$45,646.] The record in this proceeding indicates there are five at-grade crossings on the Line. At \$3,000 per crossing, it would cost **\$15,000 to retire the five crossings.** The scrap dealer who quoted the lowest price, indicated he would pay \$95 per ton fob his site, or \$90 / ton, fob along the rail Line, which would indicate the scrap dealer estimated the cost to transport the scrap track material from the Line to that scrap dealer would be \$5 per ton. English would estimate the **cost to transport 390 short tons** of scrap material from the Line to the scrap dealer would be **\$1,950.00.**

38. **Cost to remove railroad ties.** Railroad ties are considered hazardous waste because the creosote used in treating ties is a known carcinogen. The parties have agreed 2,120 ties would have to be removed, bundled, placed on a truck, then hauled to a hazardous waste disposal site. E&R have not received as of the date of this writing, a quote from a representative of the Ashland, Alabama hazardous waste disposal facility. When this information becomes available, it will be provided to the Board. Typically, hazardous waste disposal sites charge \$5 per tie (\$65 / ton) to dispose of railroad ties. It costs \$3 per mile to truck 22 tons / truck-load. The nearest hazardous waste disposal site is in Ashland, Alabama, which is approximately 200 miles from Vicksburg, MS. At \$3 per mile, it would cost \$600 per truck load (22 tons or 290 ties at 150 lbs per used tie) to transport the used ties to a hazardous waste disposal facility in Alabama, or about \$2.06 per tie. Disposing of 2,120 ties at \$5 each would cost **\$10,000 in disposal costs**, plus \$4,400 in trucking costs, for a total **disposal cost of approximately \$14,400.**

39. If the reusable (1,250) and landscape (2,650) ties were transported to a storage site, it would cost approximately \$400 per truck load, or about **\$6,400.00.** [1,250 ties at 200 lbs ea = 250,000 lbs; 2,650 ties at 175 lbs ea = 463,750 lbs. Total weight = 713,750 lbs or 357 tons, which at 22 tons / truck load = 16 truck loads.]

40. Environmental compliance costs:

MS Hazardous Waste Disposal Fee:	\$ 1,500.00
SWPPP:	10,000.00
10 Construction Entrances / Exits:	70,000.00
Install 20,000 lf silt fence:	86,300.00
Remove 20,000 lf silt fence:	20,000.00
Install 1,200 lf 3-ft cyclone fence:	10,000.00
Seed & Mulch:	<u>110,000.00</u>
Total environmental compliance costs:	\$ 307,800.00

41. Calculation of Offer:

Revenue:	Land: 23 acres at \$4,500 / acre:	\$103,500	
	Reusable / landscape ties:	38,400	
	Metal:	<u>67,920</u>	
	Total revenue:	\$209,820	\$209,820
Expenses:			
	Cost to remove track material:	\$ 45,650	
	Cost to retire the five crossings:	15,000	
	Cost to transport 390 short tons to the scrap dealer:	1,950	
	Cost to dispose of ties:	14,400	
	Hazardous waste generator fee:	1,500	
	SWPPP:	10,000	
	10 Construction Entrances / Exits:	70,000	
	Install 20,000 lf silt fence:	86,300	
	Remove 20,000 lf silt fence:	20,000	
	Install 1,200 lf 3-ft cyclone fence:	10,000	
	Seed & Mulch:	<u>110,000</u>	
		384,800	<u>384,800</u>
Net Liquidation Value:			\$ (174,980)

- 42. Going Concern Value:** **ZERO**
(KCSR and VSOR both indicated in their Petitions that they lost money operating the Segment.)

PRICE TO BE PAID FOR THE REMAINDER PORTION OF THE LINE

43. English and Riffin further offer to purchase that portion of the Line that extends **from MP 227.5 to MP 229.85**, a distance of approximately **2.35 miles**, or to the end of the Line that is the subject of the above entitled proceeding (“**Remainder**”). For this portion of the Line, the underlying right-of-way, which consists of about 28.5 acres, all the track material, bridges, and any and all other items on, appurtenant to, or associated with, the Line, including any and all interests, legal or equitable, that KCSR may have in, or which is associated with, the Line, including all licensing and any other agreements associated with the Line, free of all liens and encumbrances, settlement costs to be split, English offers approximately **\$ 45,000.00**.

44. **Real Estate:** According to information English & Riffin have been able to obtain (copies of deeds, information provided by KCSR), the right-of-way generally is 100-foot wide between MP 227.5 and MP 229.85. 2.35 miles at 5,280 feet per mile equals 12,408 linear feet. A strip of dirt that is 12,408 feet long and 100 feet wide, will contain 1,240,800 SF, which at 43,560 SF per acre, equates to 28.485 acres, or 28.5 acres. The deeds English consulted, indicated KCSR only had a reversionary interest in a substantial portion of this portion of the Line. Board precedent has held that real estate that is subject to a reversionary interest, has no legally cognizable value in an OFA proceeding.

45. The City of Vicksburg, MS and KCSR entered into a Purchase and Sale Agreement (“PSA”), dated April 5, 2007, wherein the City of Vicksburg offered to purchase the Line for \$4,500.00 per acre (see ¶2 PSA), whether KCSR’s interest was reversionary or fee simple. The PSA further stated in ¶ 11, that if KCSR could not transfer the entire Line to the City of Vicksburg pursuant to the National Trails System Act, the City of Vicksburg would be relieved of its obligation to purchase the Line.

46. On December 20, 2007, Riffin spoke with Nancy Thomas, counsel for the City of Vicksburg. During this telephone conversation, Riffin stated English desired to purchase that portion of the Line between MP 225.6 and MP 227.5. Riffin then asked if the City of Vicksburg still desired to purchase the portion of the Line between MP 227.5 and MP 229.85. Ms. Thomas reiterated a statement she had made some months previously: That the City of Vicksburg had an

interest in purchasing the Line **only if** the City could purchase the **entire Line**, and that the City of Vicksburg **did not** have an interest in purchasing just the end of the Line, or that portion of the Line between MP 227.5 and MP 229.85.

47. While English does not have an interest in purchasing this portion of the Line, Riffin believes this portion of the Line should be preserved, so that if shippers on this portion of the Line desire to utilize freight rail service some time in the future, it could be made available. For this reason, Riffin elected to participate in the purchase of the Line.

48. The record indicates the track material between MP 227.5 and MP 229.85 was unlawfully removed (without Commission or Board authority) some years ago. Consequently, the only thing that KCSR has to offer, is the right-of-way itself. Since this portion of the Line does not contain any track material, is extensively overgrown with vegetation, cannot immediately be utilized for freight rail service, and the City of Vicksburg no longer has an interest in purchasing this portion of the Line, English and Riffin do not feel the purchase price for this portion of the Line should be consonant with the price listed in the PSA.

49. The Remainder portion of the Line does not have any rails on it, and presumable, no cross ties. (Actually, there are some cross ties on the bridges. Hopefully, none of these would need to be removed in order to be in compliance with Mississippi's environmental laws.) If no cross ties needed to be removed, then no land disturbing activities would occur. And if no land disturbing activities occurred, then there would be no environmental compliance costs associated with the Remainder portion of the Line.

50. In the interest of preserving this portion of the Line for future possible rail service, English and Riffin **would offer \$3,000.00 per fee simple acre, with a cap of \$45,000.00.** In arriving at this price, English and Riffin were mindful of the cost to remove and dispose of the vegetation on the Line, which would be approximately \$10,000 per acre, and the cost to rehabilitate the bridges, which have not been maintained for years. [A strip of vegetation 30 feet wide x 12,408 feet in length would encompass 8.5 acres. At \$10,000 per acre, it would cost at least \$85,000 to remove and dispose of the vegetation. If the right-of-way for this portion

contains 28.5 acres, and if that 28.5 acres were to be valued at \$4,500 per acre, that would give it a value of \$128,250. Subtracting the \$85,000 cost to remove a strip of vegetation 30 feet wide, would leave a net value of \$43,250, which is close to the cap of \$45,000 English and Riffin are offering for this portion of the Line.]

ALTERNATIVE VALUATION OF LINE

51. The Purchase Agreement between KCSR and the City of Vicksburg states that if the Rail Materials have not been removed within 90 days after the Railway Property Closing Date, then the Rail Materials become the property of the City of Vicksburg. As previously stated, E&R do not believe it is physically possible for KCSR to do **all of the following within 90 days:**

(1) Consult with the Mississippi DEQ; (2) Provide the SEA with a written report addressing its consultation with the MS DEQ; (3) Hire a professional engineer; (4) Have a surveyor survey the Line to determine the actual topographical contours adjacent to the Line; (5) Have the engineer prepare a SWPPP, together with supporting drawings and narrative; (6) Have the surveyor stake out where pollution control measures must be installed; (7) Obtain the requisite approvals and permits from both the City of Vicksburg and MS DEQ; (8) Schedule an inspection tour with a DEQ / City of Vicksburg environmental person, to demonstrate all sediment controls have been properly installed; (9) Have a contractor install 10 Construction Entrances / Exits; (10) Remove all spikes with a spike puller; (11) Cut the rails into 50-foot lengths with an abrasive saw; (11) Load the rails onto trucks; (12) then Remove all of the cross ties. (Stabilizing the site with seed and mulch, removing the silt fencing and Construction Entrances / Exits, could be done after the Rail Materials had been removed.)

52. If KCSR was unable, or chose not to timely remove the Rail Materials, then the City of Vicksburg, rather than KCSR, would be responsible for all Environmental Compliance Costs. If this were to occur, KCSR would realize \$103,500 in revenue from the City of Vicksburg for the Segment portion of the Line, and would have no offsetting expenses. To realize this same amount of revenue, the Board would have to increase the value of the Segment portion of the Line by \$278,000, which equates to about \$610 per ton for the metal, with no offsets for carefully removing the metal.

53. Since the City has offered \$103,500 for the Segment portion of the Line, which offer would include all Rail Materials if not removed within 90 days, and since if the Rail Materials were not removed by KCSR, KCSR would not incur any offsetting expenses, and since \$103,500 is far greater than the calculated Net Liquidation Value of negative \$175,000 (which takes into account all expenses associated with removing the Rail Materials), the Board may find that the highest price for the Line would be the \$103,500 price the City offered, which price would include all Rail Materials, thereby relieving KCSR of all offsetting expenses.

54. In computing the value of the Remainder portion of the Line, E&R would ask that the Board factor in a penalty for the unlawful removal of track material. While KCSR may not have removed the track material, when it acquired the Line, it also assumed all liabilities associated with the Line, including responsibility for the unlawfully removed track material.

55. In *Busboom Grain Co., Inc. v. I.C.C.*, 830 F.2d 74, 75 (7th Cir. 1987) the Court held that if authority to abandon a line was revoked by the court, then the rail carrier would be required to restore the *status pro ante*, and could be ordered to restore any track material that had been removed. Riffin would argue, that if a rail carrier could be required to restore track material removed pursuant to Board authority, which authority was later revoked, then a rail carrier **should be required** to restore track material that had been **unlawfully removed without any authority**.

56. In the instant case, the track material for the Remainder portion of the Line was unlawfully removed. Riffin would argue the Board **should** order KCSR, the successor in title of the Remainder portion of the Line, to restore the track material on the Remainder portion of the Line. And were the Board to order KCSR to restore this track material, Riffin would further argue the fair market value of this restored Remainder portion of the Line would be the \$4,500 per acre price the City of Vicksburg was willing to pay for the Line, (including all Rail Material). Consequently, were the Board to order KCSR to restore the track material on the Remainder portion of the Line, E&R would offer to purchase the Remainder portion of the Line, including the newly restored rail material, for **\$128,250** (28.5 acres at \$4,500 / acre = \$128,250.)

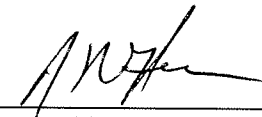
57. Riffin would further argue that he has the **right** to purchase the Remainder portion of the Line **with Rail Material on it**, since but for the fact that the rail materials had been unlawfully removed, the Remainder portion of the Line would have rail material on it. Furthermore, Riffin would argue, the Board has the **obligation** to order KCSR to replace all rail material unlawfully removed from the Remainder portion of the Line.

Respectfully submitted


James Riffin

CERTIFICATE OF SERVICE

I hereby certify that on this 25th day of January, 2008, a copy of the foregoing Request to Establish Conditions and Compensation for Financial Assistance, was **hand delivered at 1730 hours to William A. Mullins**, Baker & Miller PLLC, Ste 300, 2401 Pennsylvania Ave, N.W., Washington, DC 20037, attorney for Kansas City Southern Railway Company, and was mailed via first class mail, postage prepaid, to **Craig Richey**, 315 W. 3rd Street, Pittsburg, KS 66762, attorney for Vicksburg Southern Railroad, Inc.



James Riffin

SECOND AMENDMENT TO PURCHASE
AND SALE AGREEMENT

Ex A-1

This Second Amendment to the Purchase and Sale Agreement ("Amendment") is made and entered into as of the 6th day of August, 2007 (the "Effective Date"), by and between THE KANSAS CITY SOUTHERN RAILWAY COMPANY, a Missouri corporation ("Seller"), and THE MAYOR AND ALDERMEN OF THE CITY OF VICKSBURG, MISSISSIPPI, a municipality of the State of Mississippi ("Buyer").

Recitals:

WHEREAS, Seller and Buyer entered into a Purchase and Sale Agreement dated April 5, 2007, regarding that certain property located in Warren County, Mississippi, as more particularly described therein, as amended by that certain First Amendment to Purchase and Sale Agreement dated May 31, 2007; and

WHEREAS, the parties now desire to amend the Purchase Agreement as provided herein; and

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements contained herein and in the Purchase Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree that Paragraphs 11(a) and (b) shall be amended to read as follows:

11. Railway Property Closing.

(a) The transfer and conveyance of the Railway Property, as contemplated by this Agreement, shall be closed and consummated (the "Railway Property Closing") on a date (the "Railway Property Closing Date") falling within ten (10) days after (i) the date on which Seller can legally transfer the Railway Property to Buyer pursuant to the National Trails System Act (the "Transfer Approval Date"), and (ii) the date on which Buyer provides Seller with written notice that Buyer is ready to close on the Railway Property (which written notice shall be provided to Seller by no later than five (5) days after Buyer's receipt of the Transfer Approval Date Notice). Seller shall provide Buyer with written notice of the Transfer Approval Date (the "Transfer Approval Date Notice") within five (5) days after such Transfer Approval Date. Notwithstanding the foregoing, if the Transfer Approval Date is on or before December 18, 2007, then Buyer and Seller agree to use their reasonable best efforts to cause the Railway Property Closing to take place on or before December 20, 2007. If Buyer has not received the Transfer Approval Date Notice by April 15, 2008, then Buyer shall be released from any obligation to purchase the Railway Property; provided, however, that (i) no such release shall affect any other rights or obligations of either party hereunder and (ii) such release shall not affect Buyer's right to purchase the Railway Property in accordance herewith following receipt of the Transfer Approval Date Notice, if any, provided that Buyer's right to purchase the Railway Property will terminate May 31, 2008 if not purchased prior to such date unless otherwise agreed to by the parties hereto

NOT rec'd by
4/15/08
CAW Avoid
K.
K void 7
5/31/08

(b) Notwithstanding anything in this section to the contrary, if Buyer concludes that

E+A-2

the Railway Property is owned by the Seller in fee simple and that the Railway Property should be abandoned by Seller and transferred to Buyer via quit claim deed (as described in Section 7B above) rather than "railbanked" in accordance with the rails-to-trails provisions of the National Trails System Act, then the Railway Property Closing Date shall be a date falling within ten (10) days after (i) the earliest of (A) the effective date of the abandonment approval or exemption approval provided by the STB, provided no party appears in Seller's proceeding before the STB to dispute the abandonment or exemption, (B) the final date for a party to appeal the abandonment or exemption provided a party appeared in Seller's proceeding before the STB to dispute the abandonment or exemption, or (C) the final resolution of any appeal of the abandonment or exemption in favor of Seller (items (A), (B) and (C) are alternatively referred to herein as the "Abandonment Date") and (ii) the date on which Buyer provides Seller with written notice that Buyer is ready to close on the Railway Property (which written notice shall be provided to Seller by no later than five (5) days after Buyer's receipt of the Abandonment Date Notice). Notwithstanding the foregoing, if the Transfer Approval Date is on or before December 18, 2007, then Buyer and Seller agree to use their reasonable best efforts to cause the Railway Property Closing to take place on or before December 20, 2007. Seller shall provide Buyer with written notice of the Abandonment Date (the "Abandonment Date Notice") within five (5) days after such Abandonment Date. If Buyer has not received the Abandonment Date Notice by April 15, 2008, then Buyer shall be released from any obligation to purchase the Railway Property; provided, however, that (i) no such release shall affect any other rights or obligations of either party hereunder and (ii) such release shall not affect Buyer's right to purchase the Railway Property in accordance herewith following receipt of the Abandonment Date Notice, if any, provided that Buyer's right to purchase the Railway Property will terminate May 31, 2008 if not purchased prior to such date unless otherwise agreed to by the parties hereto.

4/15/08

5/31/08

IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment to the Purchase and Sale Agreement, or caused this Second Amendment to be executed, as of the Effective Date first set forth above.

SELLER:

THE KANSAS CITY SOUTHERN
RAILWAY COMPANY

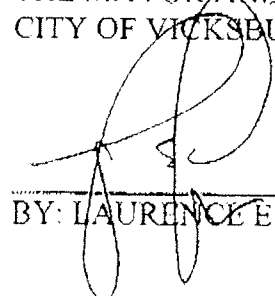


BY: Patrick J. Ottensmeyer

Executive Vice President & Chief Financial Officer

BUYER:

THE MAYOR AND ALDERMEN OF THE
CITY OF VICKSBURG, MISSISSIPPI



BY: LAURENCE E. LEYENS, MAYOR



E+ B-1

Mr Keith O'Brien
Baker and Miller PLLC
2401 Pennsylvania Ave N W
Suite 300
Washington, D C 20037

November 19, 2007

**RE: Abandonment of Trackage Located in Green Island, New York
STB Docket No. AB-156 (Sub-No 26X)**

Dear Sir

Pursuant to a request of your client, R. Freedman and Son, I am herewith providing you with my estimate of the Net Salvage Value of the trackage in place subject to the above abandonment notice.

In the original CP/DH abandonment filing and a subsequent letter with attachments dated 10/31/07 the following information is provided:

Track Mileage is given as 1.60 miles

Weight of Rail is given as 90 pound per yard

Number of turnouts is given as one

Number of crossings to retire is five

Cost to retire crossings is \$3,000.00 per crossing

Valuation of track steel scrap is given as being between 267 and 305 dollars per ton

Cost to remove track is given as \$24,000 per mile or \$4.55 per track foot

Net Sale Value of track is given as \$20,012 to \$26,935 per mile

Net Salvage Value for 1.6 miles is \$32,020 to \$43,097 per mile

On Thursday September 13, 2007 this writer made a brief walking inspection of the Green Island Branch from adjacent properties and streets. As a result of that inspection and my review of a variety of material relevant to the abandonment, I provide the following estimate of Net Salvage Value:

My estimate is based on the following:

Length of track is actually 1 mile or less based on numerous sources.

(This is borne out by CP Rail charts indicating that

Green Island Branch from MP 6.95 to MP 7.13 is 18 Miles

Troy Branch from MP 0.75 (not 0.0) to 1.42 is 67 Miles

All track beyond MP 1.42 (Tibbits Street crossing) has been removed by the Village of Green Island.)

E + B - 2

Weight of rail is primarily 90 pound per yard as per CP information provided
Number of turnouts in place is at least one as observed in field
Number of crossings to retire is five as observed in field
Cost to retire crossings is \$3,000 00 per crossing as per CP information provided
Valuation of track steel at current market prices is based on AMM Scrap Iron and Steel
Prices dated 11/15/07 at \$255 per ton delivered to New York CP data for scrap prices is 4/07
Cost to retire track is \$4 55 per foot as per CP information provided

Accordingly

Rail: 90AS

1 00 mi X 5280 = 5280' actual line track feet
5280 X 2 = 10,560 actual rail feet 10,560/ 3 = 3520 yards of rail
90lbs (weight of rail per yard) X 3520 = 316,800 pounds of rail
316,800/ 2000 = 158 40 tons of rail in place

158 4 tons of rail at \$255 per ton = \$40,392 00

Tie Plates: 8.5 inches single shoulder 11.28 pounds per plate

Figure 2 tie plates every 21 inches

5280' x 12"/21 inches between tie centers = 3,017 ties x 2 = 6,034 total tie plates
6,034 plates x 11 28 lbs ea = 68,063 pounds/ 2000 = 34 03 tons

34 03 tons of plates at \$255 00 per ton = \$8,677 65

Angle Bars: 90 AS 24 inch four hole 31.02 pounds each

5280/33' length of rails = 160 jts x 2 sides = 320 joints x 2 bars = 640 joint bars
640 joint bars x 31 02 pounds = 19,852 pounds/2000 = 9 93 Tons
9 93 tons of angle bars x \$255 per ton = \$2532 15

Spikes: 4 per tie at .76 pound each

4 spikes x 3,017 ties = 12,068 spikes
12,068 spikes x .76 pound = 9171 68 pounds/2000 = 4 59 Tons

4 59 Tons of spikes x \$255 per ton = \$1,170 45

Bolts: 7/8" x 5" four per joint bar at 1.30 pounds each

640 joint bars x 4 bolts = 2560 bolts x 1 30 pounds = 3,320 pounds
3,320 pounds / 2000 = 1 66 tons

1 66 tons of bolts x \$255 00 per ton = \$423 30

Ex B-3

Miscellaneous scrap: including 115 pound in crossings and turnout
23,820 pounds/2000 = 11 91 tons

11 91 tons miscellaneous scrap x \$255.00 per ton = \$3,037

Totals

Rail

158 4 tons

Plates

34 03 tons

Angle bars

9 93 tons

Spikes

4 59 tons

Bolts

1 66 tons

Miscel Scrap

11 91 tons

Total tons 220 52

220 52 tons at \$255 00 per ton

Total value of on line rail and other steel track accessories \$56,232.60 - - - - -

Cost to remove track as per CP \$23,760 00

Cost to remove crossings as per CP \$15,000 00

Total cost of removal \$38,760.00

Net Salvage Value of Track \$17,472.60

Additional cost factors

1) Line is heavily enveloped with brush. Any removal of track would require extensive brush cutting. Because of the proximity of homes and businesses directly adjacent to the line, most of this work would have to be done by hand

Estimated cost for brush removal \$1 00 per track foot or \$5,000 00

EX B-4

2) Encroachment on the line A variety of abutters have moved equipment and or materials into the right of way Negotiation for and removal of these materials would be an additional cost factor

Estimate \$1,000 00

3) Removal of rail on route 32 bridge If required, this work would need to be performed according to OSHA and FRA requirements for worker protection as well as other protection for under bridge road traffic

Estimate \$3,000 00

4) Removal of ties If required, railroad ties are considered hazardous waste because the creosote used in treating ties is a known carcinogen Although there are probably a few relay quality ties in place, the majority of the ties, approximately 2500, would need to be loaded and trucked to an accepting land fill

Estimated cost of disposal \$5,000 00

5) Removal of bridges If required, remove two bridges over highways

Route 32 and I-787

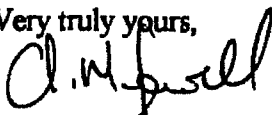
Estimate \$30,000 each

6) Removal of crossing signal systems including pole line If required the presence of hazardous materials, sulfuric acid in battery cases, asbestos covered hardware, creosote treated poles would be an additional cost factor.

Estimate \$10,000 00

If you should have any questions concerning this report, please feel free to call me at your convenience

Very truly yours,



A H Jewell

Ex B-5

Thursday, November 14, 2007

CONSUMER BUYING HABITS

Estimated domestic consumer buying prices in US\$ gross ton; delivered mill price

	Birmingham	Carrollton	Chicago	Cleveland	Detroit	Houston area	N.Y.	Philly	Pittsburgh	Seattle/Portland	St. Louis	Youngstown	Hamilton, Ontario	Montreal
NO. 1 HEAVY MELT	168(a)	220	250	230(a)	250	230	255	245	250	117-119	215	245	174	210
NO. 2 heavy melt	172(a)	210	245	220(a)	245	220	245	235	242	114-116	205	235	---	170
No. 1 bundles	250(a)	---	300	255	250	235(a)	265(a)	250	250	---	275	255	951	---
No. 2 bundles	150	155	220	---	---	150	---	150(a)	150(a)	65-67	---	150(a)	---	---
No. 1 busheling	250(a)	225	300	250	255	240	250(a)	250	255	---	275	250	251	---
No. 1 factory bundles	---	---	305	310	300	---	---	---	305	---	---	---	---	207
Shredded auto scrap	280	225	280	280	255	255	280	275	275	137-139	270	280	153	215
MACHINE SHOP TURNINGS	150	115	185	130(a)	---	---	150	170	160	53-54	150	---	45	105
Shoveling turnings	---	---	195	140(a)	---	---	---	150	170	---	150	---	35	---
Cast iron borings	---	---	170	140(a)	---	---	---	---	---	---	135	---	---	---
Mixed borings, turnings	---	---	150	---	---	---	---	---	---	72-74	---	---	---	---
CUT STRUCTURAL PLATE, 2" MAX.	NA	250	370	---	---	270	---	312	---	---	---	---	---	345
Cut structural plate, 3" max.	270	220	---	---	---	250	---	253-255	275	---	255	---	---	---
Cut structural plate, 5" max.	212(a)	225	275	250(a)	235	250	255	---	255	132-134	245	270	190	215
Foundry steel, 2" max.	200	---	245	200	240	220	---	274	255	---	215	---	---	---
CUPOLA CAST	200	150	255	255	255	220	255	273-273	275	---	---	---	---	185
Clean auto cast	220	225	300	250	315	---	---	250	250	---	---	---	---	---
Unshipped motor blades	225	220	300	300	295	210	---	250	300	---	---	---	---	---
Heavy breakable cast	170	---	225	210	215	---	---	170	150	---	---	---	---	---
Drop broken machinery cast	---	250	315	275	350	---	---	255	300	---	---	---	---	---
NO. 1 RR HEAVY MELT	212(a)	235	275	250(a)	---	250	---	255	255	---	---	---	220	220
Roll scraps, 2" max.	---	250	370	310	---	---	---	312	310	---	345	275	---	---
Random rolls	210	---	250	---	---	---	---	220	250	---	---	---	---	---
Steel car wheels	330	255	300	---	---	---	---	312	312	---	---	---	---	---
Other track material (OTM)	250	225	270	275	---	---	---	312	310	---	---	---	---	---
CLEAN MIXED DEMURRED CARGO	---	---	250	245	245	---	250(a)	245	---	---	---	---	---	---

(a) Appraisal price
NA—Not available
† Canadian currency in not tons

257/AN/ISSUE#18C/7/2

	Boston	Buffalo	Chicago	Cleveland	Detroit	Houston	LA	NY	Pittsburgh	SLF	Montreal
DEALERS' BUYING PRICES (c/sb.)											
318 solids, clips	140-150	140-150	150-151	150-151	150-151	150-151	140-150	150-151	150-151	140-150	144-145
304 solids, clips	90-100	90-100	100-101	100-101	100-101	100-101	90-100	100-101	100-101	90-100	94-95
304 turnings	80-80	80-80	80-81	80-81	80-81	80-81	80-80	80-81	80-81	80-80	85-86
304 new clips	---	100-101	101-102	101-102	101-102	---	100-101	101-102	101-102	100-101	---
430 low clips	5.5-7.0	---	7.0-7.5	7.0-7.5	7.0-7.5	---	---	7.0-7.5	7.0-7.5	---	---
BROKEN/PROCESSOR BUYING PRICES (c/sgross ton)											
318 solids, clips	---	---	4,050-4,100	4,050-4,100	4,050-4,100	4,050-4,100	---	4,050-4,100	4,050-4,100	---	---
304 solids, clips	---	---	2,725-2,750	2,725-2,750	2,725-2,750	2,725-2,750	---	2,725-2,750	2,725-2,750	---	---
304 turnings	---	---	2,450-2,475	2,450-2,475	2,450-2,475	2,450-2,475	---	2,450-2,475	2,450-2,475	---	---
430 bundles solids	---	---	370-380	---	370-380	---	---	---	370-380	---	---
430 turnings	---	---	290-300	---	---	---	---	---	290-300	---	---
400 bundles, solids	---	---	325-335	---	325-335	---	---	---	325-335	---	---
400 turnings	---	---	315-325	---	315-325	---	---	---	315-325	---	---

EXPORT YARD BUYING PRICES

Estimated prices an export dealer, broker or processor will pay for hams delivered to his yard, in USA gross ton.

	Boston	LA	N.Y.	Pdly	S.F.
No. 1 heavy melt	220	105-107	240-242	245-247	100-102
No. 2 heavy melt	220	85-87	228-230	233-235	80-82
No. 2 burnish	140(a)		190(a)	119(a)	85-87
No. 1 bushing	240	190	245(a)	245(a)	
Machine shop turnings		80	120		80
Mixed cast	225		250	290	
Unmelted motor blocks	205	185	240	340	180
Auto bodies	190	175	180	180	170
Cut structural plate & steel	240	185	220	255	180
STAINLESS STEEL SCRAP PRICES (\$/lb)					
304 solids, chips	---	2,625-2,680	2,625-2,680	2,625-2,680	2,625-2,680
304 turnings	---	2,325-2,380	2,325-2,380	2,325-2,380	2,325-2,380
430 turnings, solids	---	---	---	---	---
(a) As-cast price	375	375	375	375	---

BROKER BUYING PRICES

Estimated return in US dollars per ton: 1.04, 0.97

	Athens	Boston	Buffalo	Cincinnati	Detroit
NO. 1 HEAVY MELT	185	220	215	285	210
No. 2 heavy melt	185	210	205	185	---
No. 1 bundles	230	250	230	198	225
No. 2 bundles	135	135	140	120	145
No. 1 bushing	240	280	230	200	250
Shredded auto scrap	205	220	220	213	235
MACHINE SHOP TURNINGS	---	---	130	120	140
Shaving borings	---	115	120	125	140
Cast iron borings	---	---	110	110	115
Mixed borings, turnings	---	---	105	---	130
CUPOLA CAST	---	---	290	290	280
Cut structural plate, 3" max.	210	---	225	215	215
Cut structural plate, 2" max.	---	---	240	225	230
Clean auto cast	---	---	---	245	200
Unstripped motor blocks	---	220	210	---	200
Heavy breakable cast	---	---	180	---	210
Drop broken machinery cast	---	---	380	---	270
Rail crops, 2" max.	---	---	210	285	---
Random sale	---	---	200	230	---

* F.o.b. (free on board at the shipping point) from dealer to broker where freight rate is absorbed by broker; freight rate based on single-car shipments.

STAINLESS CONSUMER BUYING CENTER

(Morris 1991)

315 solids, clips	3,850-4,000
304 solids, clips	2,575-2,600
304 turnings	2,775-2,800
430 bundles, solids	480-490
430 turnings	380-390
409 bundles, solids	410-420
409 turnings	300-310

ADDITIONAL GRAPHS TO TEST 5

Birmingham		
Elastic lamina, 3" max.		215
Cut structural plate, 4" max.		255
Stove plate		310
Chicago		
No. 1 industrial heavy metal		275
Roll crops, 18" max.		375
Perforating rolls		380
Steel rolls		285
Heavy large bar crops		280
Stove plate		325
Punching & plate, 12" max.		370

Scrap Price Changes Today

Ferrous scrap price changes were made for these cities:

None

Disclaimer

Prices and other information contained in this publication have been obtained by American Airmail Market (AAM) from sources believed to be reliable. Pricing information is provided for informational purposes only and does not constitute an offer to sell or a solicitation of an offer to buy any security. Prices are subject to change without notice. AAM is not responsible for errors or omissions, or for the results obtained by the use of such information, and disclaims any liability to any person for any loss or damage caused by such errors or omissions, including those arising from the negligence of AAM. It is suggested that readers consult their brokers for more information.

***H&H Dirtworks
60. Woodham Rd
Vicksburg, MS 39180
(601)415-0836***

EX. C

Bid for Ray English

***Installation of Silt Fence on both sides of railroad track.
\$8.60 linear ft.***

***Installation of 3ft High Cyclone Fence.
\$8.25 linear ft.***

Site Stabilization Costs (Seed and Straw)

\$1.55 per Square foot

This bid is good for 30 days from 1/11/2008

EXD-1

New Storm Water Requirements for Construction Activities

Implementation of Phase II of the Federal Storm Water Regulations began on March 10, 2003. Prior to the implementation date the State had issued two general permits to facilitate compliance with the regulations. The MS4 permit for small to medium entities was issued in December of 2002 (Details regarding the requirements of the MS4 permit will be the subject of later articles.). This article will focus on the Small Construction Storm Water General Permit and changes in the applicability of construction storm water requirements for both large and small construction projects.

Phase I construction storm water requirements were mandatory if an activity disturbed 5 acres or more or was part of a larger development. Additionally, public entities that served a population less than 100,000 were exempt from mandatory coverage. This meant that in Mississippi, only the State, the City of Jackson, and private entities had to get coverage and comply. On March 10, 2003, the population exemption expired. Thus, anyone disturbing more than one acre was subject to the construction storm water requirements. In a practical sense, all towns and counties building roads, buildings and utilities were subject to the regulations. Projects begun prior to March 10, 2003 still in progress, were subject to the regulations since no "grandfather clause" was included. This applied to large and small construction storm water projects.

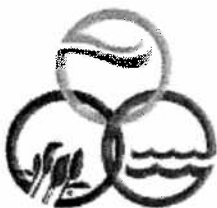
A common misconception is that "linear projects," such as utility construction, are not be subject to the regulations. Any project that disturbs one or five acres is subject to either the small or large construction storm water requirements. Consider the installation of a mile of water line. If the water line is installed with a track hoe (with a tread width of 10 feet), the disturbed area is, minimally, 52,800 square feet (10x5280), a little over an acre. This does not include the area disturbed by the construction of pumping stations, material handling areas, etc. It is, therefore, subject to the small construction requirements.

The Department settled a case involving a governmental agency, within the last twelve months, for a mid five figure penalty for failure to implement phase II construct storm water regulations on a linear project. The settlement also required retroactive development and implementation of appropriate storm water controls.

The Department has been conducting an aggressive outreach program. However, as the example indicates, there has been less than uniform compliance and an apparent lack of understanding of the applicability of regulations. It is important that construction activities have the necessary coverage and are fully implementing your storm water pollution prevention plan.

The Small Construction Storm Water Permit requires that an applicant complete the Notice of Intent (NOI) form and develop a storm water pollution prevention plan (SWPPP) *prior* to beginning construction. Most applicants do not have to submit the NOI or SWPPP to the Department. However, the SWPPP must be implemented and the NOI must be available upon demand by a Department inspector. Failure to do so represents non-compliance. As in the past, activities that disturb five or more acres must have the NOI and SWPPP submitted to and approved by the Department prior to beginning construction activities.

As you can see, it is important to understand the changes in the storm water regulations. If you have any questions regarding storm water construction requirements you may contact Jim Morris at Jim.Morris@deq.state.ms.us; (601)961-5151 or visit the storm water page of the MDEQ web page: http://www.deq.state.ms.us/MDEQ.nsf/page/epd_epdgeneral.



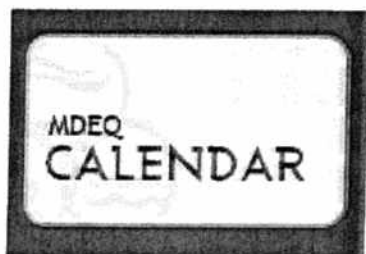
MISSISSIPPI DEPARTMENT OF
ENVIRONMENTAL QUALITY

[HOME](#)
[PROGRAMS](#)
[enDX](#)
[enSEARCH](#)
[CONTACT](#)
[NEWS](#)
[TOPICS](#)
[SEARCH](#)

EXD-18

Subscribe to the
MDEQ Newsletter

[About EPD](#)
[Small Business Environmental Permitting Assistance](#)
[SIC Search](#)
[EPD Branches & SIC](#)
[Applications & Forms](#)
[Storm Water](#)
[Technical Guidance](#)
[ECED Home](#)
[enSearch Online](#)
[Environmental Protection Agency](#)
[EPD Staff](#)
[EPD Home](#)
[Recycling](#)
[Solid Waste PPG](#)
[Pollution Prevention](#)
[Water Quality Certification Branch](#)
[Air Quality Modeling](#)
[MDEQ Regulations](#)
[Site Map](#)



General Permits Branch

The **General Permits Branch** of the Environmental Permits Division (EPD) oversees the development, issuance, and maintenance of the general permits issued by EPD.

A general permit authorizes a category of discharge or emission within a geographical area. A general permit is not specifically tailored for an individual facility or project. Each of the bold headings below, under Types of General Permit, indicate that a General Permit is available or under construction for that particular activity. A PDF copy of each type of General Permit is available by clicking the headings.

Announcements

The Permit Board on Environmental Quality reissued the statewide Small Construction Storm Water General Permit (MSR15) on January 3, 2008. This permit allows the discharge of storm water from construction activities of one (1) acre to less than five (5) acres in accordance with the National Pollutant Discharge Elimination System (NPDES) regulations. This general permit will be active for a five-year period.

The Permit Board on Environmental Quality reissued the statewide Storm Water Mining General Permit (MSR32) on October 1, 2007. This permit allows the discharge of storm and impounded water in accordance with the National Pollutant Discharge Elimination System regulations and the operation of a process water recirculation system with no discharge. Mine dewatering and no discharge systems have been previously addressed by individual permits. These operations have been combined into the Storm Water Mining General Permit, which has been renamed the Mining Storm Water, Dewatering, and No Discharge General Permit. This general permit will be active for a five-year period.

A new proposed Mississippi Drinking Water Treatment Plant General Permit is drafted to provide National Discharge Elimination System (NPDES) coverage to regulate facilities that discharge filter and/or sedimentation basin backwash wastewater from drinking water treatment plants. The draft general permit, which addresses the 2003 EPA revised regulations, is subject to public review and comment. All comments must be received by EPD staff by no later than October 28, 2007. The draft permit may be viewed by clicking [here](#), and the draft Notice of Intent (NOI) form and other related forms may be viewed by clicking [here](#). Once the permit is issued and finalized, eligible facility operators may obtain coverage by submitting a NOI form and all accompanying documentation to the Environmental Permits Division. If you have any questions about this proposed draft general permit, please call Dallas Baker at 601-961-5670.

MDEQ will follow the federal storm water regulations as they apply to oil and gas-related construction activities. Construction activities associated with oil and gas exploration, production, processing and treatment, and transmission facilities that are defined in the following North American Industrial Classification System (NAICS) codes and titles: 211-Oil and Gas Extraction, 213111-Drilling Oil and Gas Wells, 213112-Support Activities for Oil and Gas Operations, 48611-Pipeline Transportation of Crude Oil and 48621-Pipeline Transportation of Natural Gas, are generally exempt from State NPDES construction requirements. MDEQ strongly encourages voluntary application of construction best management practices in order to minimize the discharge of pollutants in storm water runoff. If you have any questions please contact the Environmental Permits Division at 601/961-5171 or use the Contact Information link below.

Storm Water Phase II - Operators of Phase II regulated small MS4s and small construction activity are required to apply for NPDES permit coverage by March 10, 2003. MDEQ has compiled a list of resources in Adobe PDF format (unless otherwise designated) that may be used for Storm Water Phase II compliance.

Types of General Permits and Notice of Intent Forms

Asphalt General Permit 
 Asphalt Notice of Intent (NOI) 
 Asphalt Emission Factors (AP-42) 

Swine CAFO Multimedia General Permit 
 Swine CAFO NOI 

Baseline Industrial Storm Water Permit 
 Baseline Forms Package 
 Industrial Activities Requiring NPDES Permit
 Coverage for Storm Water 
 Industrial Guidance Manual 

Small Construction Storm Water General
 Permit  (sites 1 to less than 5 acres)
 Construction Guidance Manual
 Owner/Operator/Contractor Memo

Large Construction Storm Water General
 Permit
 (5 acres and greater) 
 Large Construction Forms Package 
 Construction Guidance Manual 

MS4 Phase II Storm Water General Permit
 MS4 Phase II Storm Water NOI 
 Phase II Regulated MS4s 
 Municipal Phase II Stormwater Info PowerPoint
 MS4 Phase II Storm Water Guidance Manual
 Draft 
 MDOT Phase II Storm Water Guidance Manual
 Draft 

Hydrostatic Testing General Permit 
 Hydrostatic Test Forms Package 
 Hydrostatic Test Recoverage Form 

Drinking Water Treatment Plant Draft
 General Permit 
 Drinking Water Treatment Plant Forms
 Package 

Solid Waste Management General Permits and NOIs

Class I Rubbish Site General Permit 
 Class II Rubbish Site General Permit 
 Land Disposal General Permit
 Land Disposal NOI 
 Municipal Solid Waste Transfer Station General
 Permit 
 Solid Waste Storm Water General Permit Under
 Construction
 Solid Waste Management NOI Under
 Construction
 Yard Waste and Rubbish Composting Facilities
 General Permit 
 Transfer Station Recoverage 

Mining Storm Water General Permit 
 Mining Forms Package 
 Mining Recoverage Form 

Wet Deck Log Spray GP 
 Wet Deck Log Spray NOI 

Poultry CAFO Notice of Intent 
 Poultry CAFO General Permit 

Ready Mix Concrete General Permit 
 Ready Mix NOI 

UST General Permit 
 UST Forms Package 
 UST Recoverage Form 

Other Forms
 Transfer Request Form 

No Exposure Certification
 No Exposure Certification 
 No Exposure Certification Guidance Manual 

Contact Information

For more information contact the staff of
 the General Permits Branch of EPD.

Mailing Address

P.O. Box 10385
 Jackson, MS 39289-0385

Physical Address

Southport Center
 2380 Highway 80 West
 Jackson, MS 39204
 Link to Map 

Chapter 2 - EROSION, SEDIMENT, AND STORMWATER CONTROL PLAN GUIDELINE

The purpose of an erosion, sediment, and stormwater control plan is to aid individuals in complying with state and federal regulations dealing with the control of nonpoint source (NPS) pollution. The plan should include a listing of the most effective and practical best management practices (BMPs) designed to minimize pollution resulting from stormwater runoff and off-site sediment deposition during land disturbance activities.

An erosion, sediment, and stormwater control plan should conform to the following outline:

1. A brief narrative
2. Planned BMPs and vegetative practices
3. An operation and maintenance plan for BMPs
4. Drawings and specifications of BMPs
5. A vicinity U.S. Geological Survey quadrangle map
6. A site topographic map
7. A site development map
8. A site erosion, sediment, and stormwater control map
9. Name, address, and telephone number of the parties responsible for developing and implementing the plan.
10. Continuing education of all employees to inform them of plan requirements.

The specific number of maps, practices, drawings, specifications, and calculations required depends on the size and complexity of the land disturbing activity. The plan should be organized and presented in a clear, concise manner with sufficient design and background information included to facilitate review by NPS pollution control and other reviewing personnel. In general, an acceptable erosion, sediment, and stormwater control plan (see Chapter 7 - Sample Plan) should contain as a minimum:

1. A brief narrative to include:
 - a. Project description (purpose, size of area to be disturbed, and location).
 - b. Before and after site description (topography, principal drainageway for the site, land cover condition, percent of impervious area, and the associated increase of runoff volume from a 25-year 24-hour storm event).
 - c. Adjacent property. (This should include the identification of land use and cover conditions.)

EX E-2

- d. Soils descriptions.
2. Planned Best Management Practices to include:
 - a. Beginning and completion date of construction activities.
 - b. A sequence of all construction-related BMP and vegetative activities. Include any winter shut-downs.
 - c. Preconstruction conference is recommended and should be scheduled one week prior to land disturbance to orientate contractors to the erosion, sediment, and stormwater control plan. Notice of the preconstruction conference date should be provided to the Office of Pollution Control one week prior to the meeting.
 - d. A listing of erosion and sediment control BMPs to minimize pollution during construction along with location and installation schedule for each,
 - e. A listing of stormwater pollution control BMPs to minimize pollution after construction has ended along with location and installation schedule for each.
3. Operation and Maintenance (O&M) plan for BMPs.
 - a. Temporary measures: a plan for the schedule of maintenance during construction along with any operational criteria.
 - b. Permanent measures: a plan for the long term maintenance and operation including entities responsible, financial obligations for continued O&M, designated access for maintenance, and schedule of O&M activities.
 - c. Maintenance during and after construction may include practice reestablishment, repair, sediment removal, mowing, etc.
4. Detailed drawings and specifications of BMPs with supporting calculations,
 - a. Detailed drawings in manual can be utilized along with standard engineering drawings of structures and measures so long as site specific elevations, dimensions, etc., are shown on drawings.
 - b. Support data and calculations should be sufficient to allow reviewers to reproduce design procedure of structures and measures. Sources of information should be cited.

E+E-3

- c. One permanent benchmark will be clearly labeled on drawings if needed to plan measures. If elevations are tied to a USGS benchmark, description and elevation of benchmark will be provided.
5. Vicinity USGS Quad Map - This map should identify the location of:
 - a) Land disturbing activity.
 - b) Site stormwater discharge.
6. Site Topographic Map - This will provide preconstruction site topography while locating drains, property lines, construction work limits, and any utilities. Scale will be no less than 111=601. Trees to be preserved will be located on this map.
7. Site Development Map- This map should identify the location of buildings and associated paved areas, raw materials or finish product stock pile areas, equipment storage areas, processing areas, construction entrances, access or haul roads, and finished grades on a duplicate of the site topographic map.
8. Site erosion, sediment, and stormwater control map - This map should identify the location of all the BMPs (temporary and permanent) on a duplicate of the site topographic map along with the location of all permanent construction and associated paved areas and finished grades.
9. Name, address, and telephone number of the contact personnel responsible for developing and implementing the plan.
10. Continuing education plan for all employees to inform them of plan requirements.
 - a. As work progresses and various subcontractors and/or new employees are brought into the work site, each should be familiarized with plan. At the beginning of each workweek, scheduled items of the plan to be implemented during that week should be brought to the attention of the impacted work force.
 - b. O & M training will be provided to personnel responsible for continued operation of the completed project. This should include an annual review of schedule for maintenance activities.

Jerry Montgomery, P.E.
3211 Tucker Road
Vicksburg, MS 39183

EX.F

Mr. Ray English
Care of Foam Packaging Inc.
P.O. Box 1075
Vicksburg, MS 38181

January 24, 2008

Re: Proposal for Engineering Services
Drawing Storm Water Drainage Plan and Survey
Railroad Purchase

Dear Mr. English;

I appreciate the opportunity to provide a proposal for work on this project. I offer the following response to your request for engineering costs associated with this project.

We will provide construction documents and construction period services. The construction period services will consist of answering contractor questions, coordinating plans, and site visits.

We propose engineering services for:

\$10,000

I am also aware that you will need several construction entrances on this project. These entrances will consist of a road 14' wide, 50' long and 6" thick (min.). This will be constructed of #1 rock. Based on typical costs in this area, this entrance will cost approximately \$3,500.00 to install and \$3,500.00 to remove once the project is complete. This figure is per occurrence and includes rock and labor.

Thank you for the opportunity to work on this project.

Sincerely,

Jerry Montgomery, P.E.

CARPENTER ENGINEERING, INC.

100 Pear Orchard Drive, Suite D
Vicksburg, MS 39180
Email: ceinc@bellsouth.net

Phone: 601-631-0470
Fax: 601-634-6960
Cell: 601-831-4859

EX 6

January 24, 2008

We are available to provide basic engineering services associated with compliance with the Mississippi Department of Environmental Quality (MSDEQ) construction storm water regulations and the City of Vicksburg stormwater runoff management ordinance for a proposed project involving the abandonment of approximately 1.9 miles of railroad near U.S. Highway 61 South in Vicksburg, Mississippi. An estimated cost for provision of the basic engineering services (as outlined below) is \$10,000:

- a. The services of a local surveying company will be obtained to perform a detailed topographic survey of the existing railroad right-of-way area, and prepare a detailed drawing showing existing ground elevation contours and existing features.
- b. Based upon the topographic map, a Storm Water Pollution Prevention (SWPPP) Site Plan will be prepared showing the location and types of storm water control features and requirements.
- c. A SWPPP Narrative will be prepared describing the proposed project, the construction storm water control feature installation and maintenance requirements.
- d. The appropriate construction storm water permit application will be completed for submission (along with the SWPPP Site Plan and Narrative) to the MSDEQ. MSDEQ comments are to be resolved, as required.
- e. A Land Disturbance Plan will be prepared for compliance with the City of Vicksburg's Stormwater Runoff Management Ordinance. City of Vicksburg comments are to be resolved, as required.

Carpenter Engineering, Inc. strives to meet each customer's individual requirements, while providing quality engineering services within budget and schedule constraints. Should you have any questions concerning this information, please do not hesitate to contact me at 601-631-0470.

Sincerely,



Bobby G. Carpenter, P.E.
President
Carpenter Engineering, Inc.

Chapter 4 - BEST MANAGEMENT PRACTICE STANDARDS

CONSTRUCTION ENTRANCE/EXIT (Temporary Practice)

Ex H-1

Definition

A stone stabilized pad located at points of vehicular ingress and egress on a construction site.

Purpose

To reduce the amount of sediment transported onto public roads by motor vehicles or runoff.

Conditions Where Practice Applies

Wherever traffic will be leaving a construction site and moves directly onto a public road or other paved area.

Planning Considerations

Construction entrances provide an area where mud can be removed from construction vehicle tires before they enter a public road. If the action of the vehicle traveling over the gravel pad is not sufficient to remove the majority of the mud, then the tires must be washed before the vehicle enters a public road. If washing is used, provisions must be made to intercept the wash water and trap the sediment before it is carried off-site. Construction entrances should be used in conjunction with the stabilization of construction roads to reduce the amount of mud picked up by construction vehicles.

Design Criteria

1. Aggregate Size

DOT aggregate No. 1 (1.5 - 3.5 inch stone) should be used.

2. Entrance Dimensions

The aggregate layer must be at least 6 inches thick. It must extend the full width of the vehicular ingress and egress area. The length of the entrance must be at least 50 feet.

E7 H-2

Plans and Specifications

Plans for constructing and installing the construction entrance shall be in keeping with this standard and shall describe the requirements for applying the practice to achieve the intended purpose.

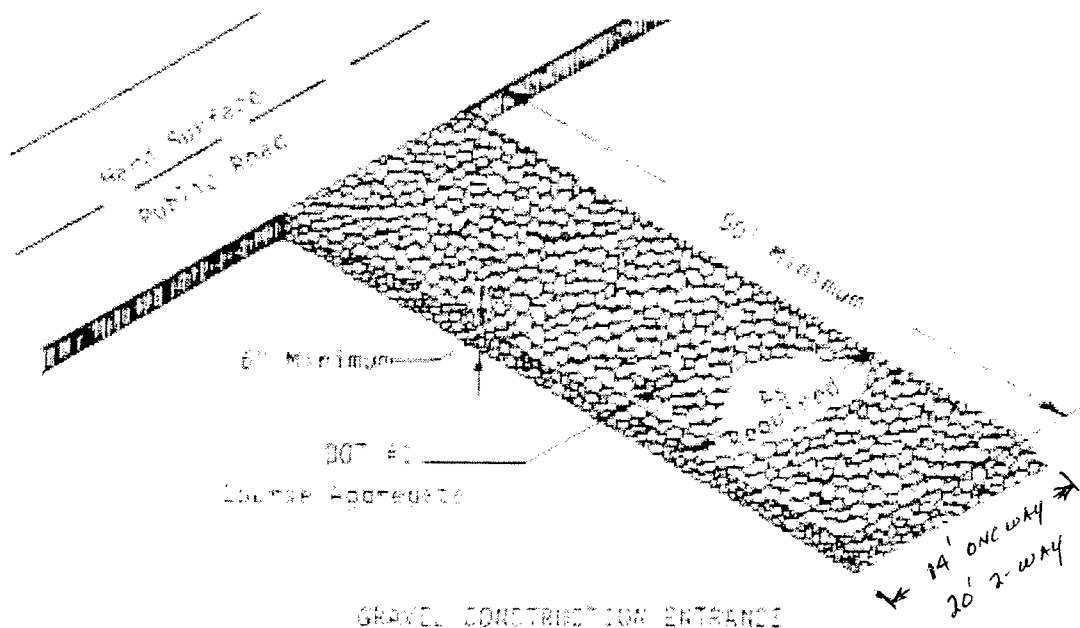
Specifications for installing the construction entrance shall use or be in conformance with the following. Any variation from these specifications shall be approved by an engineer.

1. Placement

The area of the entrance should be cleared of all vegetation, roots, and other objectionable material. The gravel shall be placed to the specified dimensions. Any drainage facilities required because of washing should be constructed according to specifications. If wash racks are used, they should be installed according to manufacturer's specifications.

2. Maintenance

The entrance shall be maintained in a condition which will prevent tracking or flow of mud onto public rights-of-way. This may require periodic top dressing with 2-inch stone, as conditions demand, and repair and/or cleanout of any structures used to trap sediment. All materials spilled, dropped, washed, or tracked from vehicles onto roadways or into storm drains must be removed immediately.



Chapter 4 - BEST MANAGEMENT PRACTICE STANDARDS

Ex I-1

SILT FENCE (Temporary Practice)

Definition

A temporary sediment barrier consisting of a filter fabric stretched across and attached to supporting posts and entrenched. There are two types. The Silt Fence is a temporary linear filter barrier constructed of synthetic filter fabric, posts, and, depending upon the strength of the fabric used, wire fence for support. The Filter Barrier is constructed of stakes and burlap or synthetic filter fabric.

Purposes

To intercept and detain small amounts of sediment from disturbed areas during construction operations in order to prevent sediment from leaving the site. To decrease the velocity of sheet flows and low-to-moderate level channel floods.

Conditions When Practice Applies

Below disturbed areas where erosion would occur in the form of sheet and rill erosion.

Where the size of the drainage area is no more than 1/4 acre per 100 feet of silt fence length; the maximum slope length behind the barrier is 100 feet, and the maximum gradient behind the barrier is 50 percent (2.1).

In minor swales or ditch lines where the maximum contributing drainage area is no greater than 2 acres.

Under no circumstances should silt fences be constructed in live streams or in swales or ditch lines where flows are likely to exceed 1 cubic foot per second (cfs). See Design Criteria for further clarification.

Planning Considerations

Laboratory work has shown that silt fences can trap a much higher percentage of suspended sediments than can straw bales. Silt fences may be preferable to straw barriers in many cases. While the failure rate of silt fences is lower than that of straw barriers, there have been instances in which silt fences were improperly installed. The installation methods outlined here can improve performance.

Filter barriers are inexpensive structures composed of burlap or standard weight synthetic filter fabric stapled to wooden stakes. Flow rates through burlap filter barriers are slightly slower and filtering efficiency is significantly higher than for straw bale barriers.

EXI-2

FLOW RATES AND FILTERING EFFICIENCIES OF
VARIOUS SEDIMENT FILTER MATERIALS

<u>Material</u>	<u>Flow Rate (gal./sq. ft./min.)</u>	<u>Filter Efficiency (%)</u>
Straw	5.6	67
Burlap (10 oz. fabric)	2.4	84
Synthetic Fabric	0.3 (Avg.)	97 (Avg.)

Silt fences composed of a wire support fence and an attached synthetic filter fabric slow the flow rate significantly but have a higher filtering efficiency than burlap. Both woven and non-woven synthetic fabrics are commercially available. The woven fabrics generally display higher strength than the non-woven fabrics. When tested under acid and alkaline water conditions, most of the woven fabrics increase in strength. There is a variety of reactions among the non-woven fabrics. The same is true of testing under extensive ultraviolet radiation. Permeability rates vary regardless of fabric type. While all of the fabrics demonstrate very high filtering efficiencies for sandy sediments, there is considerable variation among both woven and non-woven fabrics when filtering the finer silt and clay particles. Therefore, it is recommended that woven fabrics be used exclusively and non-woven fabric should not be considered.

Design Criteria

No formal design is required.

Filter barriers shall have an expected usable life of 3 months. They are applicable in ditch lines, around drop inlets, and at temporary locations where continuous construction changes the earth contour and runoff characteristics and where low or moderate flows (not exceeding 1 cfs) are expected.

Silt fences, because they have a much lower permeability than burlap filter barriers, have their applicability limited to situations in which only sheet or overland flows are expected. They normally cannot filter the volumes of water generated by channel flows, and many of the fabrics do not have sufficient structural strength to support the weight of water ponded behind the fence line. Their expected usable life is 6 months.

Plans and Specifications

Plans for constructing and installing the silt fence shall be in keeping with this standard and shall describe the requirements for applying the practice to achieve the intended purpose.

Specifications for installing the silt fence shall use or be in conformance with the following. Any variation from these specifications shall be approved by an engineer.

Ex I-3

The filter material shall be stapled to the wooden stakes, and 8 inches of the fabric shall be extended into the trench. Heavy duty wire staples at least 1/2-inch long shall be used. Filter material shall not be stapled to existing trees.

The trench shall be backfilled and the soil compacted over the filter material.

If a filter barrier is to be constructed across a ditch line or swale, the barrier shall be of sufficient length to eliminate end flow, and the plan configuration shall resemble an arc or horseshoe with the ends oriented upslope.

Filter barriers shall be removed when they have served their useful purpose, but not before the upslope area has been permanently stabilized.

3. Silt Fence

This sediment barrier utilizes standard strength or extra strength synthetic filter fabrics. It is designed for situations in which only sheet or overland flows are expected.

The height of a silt fence shall not exceed 36 inches (higher fences may impound volumes of water sufficient to cause failure of the structure).

The filter fabric shall be purchased in a continuous roll cut to the length of the barrier to avoid the use of joints. When joints are necessary, filter cloth shall be spliced together only at a support post, with a minimum 6-inch overlap, and securely sealed.

Posts shall be spaced a maximum of 10 feet apart at the barrier location and driven securely into the ground (minimum of 12 inches). When extra strength fabric is used without the wire support fence, post spacing shall not exceed 6 feet.

A trench shall be excavated approximately 4 inches wide and 4 inches deep along the line of posts and upslope from the barrier.

When standard strength filter fabric is used, a wire mesh support fence shall be fastened securely to the upslope side of the posts using heavy duty wire staples at least 1 inch long, tie wires or hog rings. The wire shall extend into the trench a minimum of 2 inches and shall not extend more than 36 inches above the original ground surface.

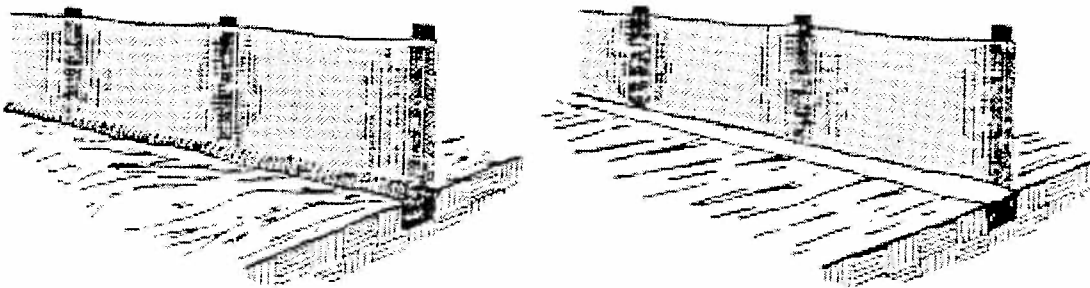
The standard strength filter fabric shall be stapled or wired to the fence, and 8 inches of the fabric shall be extended into the trench. The fabric shall not extend more than 36 inches above the original ground surface.

When extra strength filter fabric and closer post spacing are used, the wire mesh support fence may be eliminated. In such cases the filter fabric is stapled or wired directly to the posts.

E+ I-4

1. Set posts and excavate a 4"x4" trench upslope along the line of posts.
2. Staple wire fencing to the posts.
3. Attach the filter fabric to the wire fence and extend it into the trench.
4. Backfill and compact the excavated soil.

CONSTRUCTION OF A SILT FENCE



Extension of fabric and
wire into the trench.



Ex I-5

The trench shall be backfilled and the soil compacted over the filter fabric.

Silt fences shall be removed when they have served their useful purpose, but not before the upslope area has been permanently stabilized.

4. Maintenance

Silt fences and filter barriers shall be inspected immediately after each rainfall and at least daily during prolonged rainfall. Any required repairs shall be made immediately.

Should the fabric on a silt fence or filter barrier decompose or become ineffective prior to the end of the expected usable life and the barrier still be necessary, the fabric shall be replaced promptly.

Sediment deposits should be removed after each storm event. They must be removed when deposits reach approximately one-half the height of the barrier.

Any sediment deposits remaining in place after the silt fence or filter barrier is no longer required shall be dressed to conform with the existing grade, prepared and seeded.