



SURFACE TRANSPORTATION BOARD
Washington, DC 20423

Office of Environmental Analysis

February 3, 2017

Jeff McWhorter, President and CEO
Palmetto Railways
540 East Bay Street
Charleston, South Carolina 29403

**Re: STB Docket No. FD 36095, Palmetto Railways – Construction Exemption –
In Berkeley County, South Carolina; Waiver Approval of Six-Month
Prefiling Notice Requirement**

Dear Mr. McWhorter:

Pursuant to 49 C.F.R. § 1105.1(c), we are granting your request of January 24, 2017 for a waiver of the six-month prefiling notice generally required for construction projects under 49 C.F.R. § 1105.10(a)(1).

On November 30, 2016, the Surface Transportation Board's (Board) Office of Environmental Analysis (OEA) and the Office of Public Assistance, Government Affairs, and Compliance (OPAGAC) met with representatives from Palmetto Railways, the South Carolina Department of Commerce (SCDC), and the U.S. Army Corps of Engineers (USACE). Meeting participants included: Jeff McWhorter, Patrick McCrory, T. Ravenel, and Randy Lowell of Palmetto Railways; Jennifer Fletcher of SCDC; Travis Hughes and James Choate of the USACE; Victoria Rutson, Phillis Johnson-Ball, Joshua Wayland and Diana Wood of OEA; and Gabriel Meyers of OPAGAC.

At the meeting, you explained that Palmetto Railways – which was established in 1969 as an instrumentality of the State of South Carolina within the Division of SCDC to promote the economic viability of South Carolina by offering safe, efficient and cost-effective freight rail solutions, operates three railroad divisions – seeks to construct, operate and own an approximately 20-30-mile segment of new rail line in Berkeley County. The project would connect the existing 6,781-acre Camp Hill Commerce Park to the existing CSX Transportation, Inc. (CSXT) A-Line near the Santee Cooper Cross Generating Station. The proposed rail line would serve the entire commerce park, but most immediately, Volvo Cars' first North American factory, which is expected to begin production by the end of 2018 and Santee Cooper.

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You further explained that the proposed rail line would provide an additional transportation mode for the Camp Hill Commerce Park, support the State of South Carolina and Berkeley County's infrastructure needs, and help alleviate highway congestion of large commercial trucks in the region. Palmetto Railways is also in the process of gathering information within the initial study area to assess potential environmental impacts that will be used to identify specific route alternatives, including the preferred alternative, pursuant to the National Environmental Policy Act of 1969, 42 U.S.C. §§ 4321 *et seq.* (NEPA). We understand, based on your description, that the project study area includes a mix of commercial, residential, and silviculture land uses and the assumed right-of-way would mostly be covered by forests, forested wetlands, and open water.

As we discussed at the meeting, the Board and USACE will be joint lead agencies in the development of the NEPA document. At the meeting, OEA provided a general overview of the Board's environmental review process, OEA's role in conducting the environmental review, and the role of third-party contractors. In addition, OEA discussed the importance of adequate public outreach, as well as the role of the public, including federal, state, and local agencies, parties of record, communities and other interested parties in the review process.

Based on the information from this initial meeting, OEA believes that it has adequate information and the applicant is sufficiently aware of the environmental process to grant this request. If we can be of further assistance, please contact Diana Wood or Joshua Wayland of my staff at 202-245-0302 or 201-245-0330, respectively.

Sincerely,

A handwritten signature in blue ink, appearing to read "Victoria Rutson".

Victoria Rutson
Director
Office of Environmental Analysis