

HEI-26225



Henry McMaster
Governor

SOUTH CAROLINA
DEPARTMENT OF COMMERCE

Robert M. Hitt III
Secretary

October 4, 2017

Ms. Victoria Rutson, Esq.
Director, Office of Environmental Analysis
Surface Transportation Board
395 E Street, SW
Washington, DC 20423 0001

Mr. Travis Hughes
Chief, Regulatory Division
U.S. Army Corps of Engineers, Charleston District
69 A Hagood Ave.
Charleston, S.C. 29403

Re: Palmetto Railways Camp Hall Rail Project; STB Docket No. FD 36095

Dear Ms. Rutson and Mr. Hughes:

The South Carolina Department of Commerce (Commerce) appreciates this opportunity to comment on the proposed development of an industrial rail line by Palmetto Railways that will provide rail service from the Camp Hall Commerce Park in Berkeley County, South Carolina, to the A Line of CSX Transportation, Inc. (CSXT). Commerce fully supports the project.

Commerce is an agency of the State of South Carolina whose primary mission is to stimulate economic activity and develop the potentialities of the State. Through Commerce's Division of Public Railways (dba Palmetto Railways), Commerce is also responsible for developing the state railways system for the efficient and economical movement of freight, goods, and other merchandise. Without adequate rail infrastructure, Commerce is limited in its ability to attract and maximize new taxable investment and more and better paying jobs for our state's citizens.

The proposed Camp Hall Rail project fulfills these missions by bringing rail service to a large industrial park that will attract new and investment and job creation to Berkeley County. The benefits to South Carolina are substantial. The project will create additional economic development opportunities in a previously undeveloped area of the State along the proposed rail line between the unincorporated rural community of Cross and the industrial park as well as alleviate truck traffic in the area through expansion of infrastructure to support existing and future freight movements.

Commerce has had tremendous economic development success in the greater Charleston region and specifically in the area of the Camp Hall Commerce Park in Berkeley County. In 2015,

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Volvo Car US Operations Inc. (Volvo) announced the construction of a \$500 million manufacturing facility at the Camp Hall Commerce Park and the creation of 2,000 new jobs. Then, in late September, 2017, Volvo announced that it would invest an additional \$520 million in its Camp Hall manufacturing facility and new office operations bringing the collective total to more than \$1 billion in investment and 3,200 jobs. Once construction is complete in 2018, Volvo expects to start production of the company's all new S60 sedan, and with the newly announced additional investment, Volvo will manufacture its flagship product, the next generation XC90, starting in 2021. Once both vehicles are in production, Volvo will produce an estimated 150,000 cars annually. The Camp Hall facility currently under construction will be Volvo's first manufacturing facility in North America.

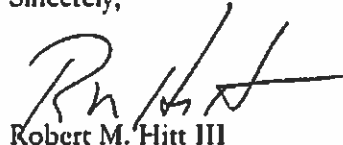
As the anchor tenant of the Camp Hall Commerce Park, Volvo will directly benefit from the proposed rail line that connects to the Class I rail network and provides direct access to the Port of Charleston. The project will enable better and more efficient logistics and lead times for the purchase and distribution of parts needed in Volvo's new advanced manufacturing facility as well as the shipment of finished vehicles throughout North America and abroad. The proposed rail infrastructure has the capacity not only to serve Volvo's planned activities, but also to handle Volvo's future phases. Furthermore, the rail line will provide the very same advantages and benefits to future tenants of the Camp Hall Commerce Park. At the same time, the project will reduce the burden of ever-increasing truck traffic associated with this foreseeable growth within and surrounding the industrial park.

In sum, Commerce views the Camp Hall Rail project as a significant and necessary expansion of infrastructure to support economic development in South Carolina. The proposed rail line is essential for the transportation, distribution and logistics needs of Volvo and future tenants and industry within the Camp Hall Commerce Park. By connecting the Volvo and the industrial park to the CSXT mainline and providing direct access to the Port of Charleston and a North American rail distribution network, the Camp Hall Rail project will further Commerce's economic development mission and make highest and best use of the industrial sites in the Camp Hall Commerce Park.

For the reasons stated, Commerce fully supports Palmetto Railways' proposed project and respectfully requests that the Surface Transportation Board and the U.S. Army Corps of Engineers move expeditiously to approve the pending petition for exemption and permit application, respectively, for the proposed Camp Hall Rail Line.

With kind regards, I am,

Sincerely,



Robert M. Hitt III

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