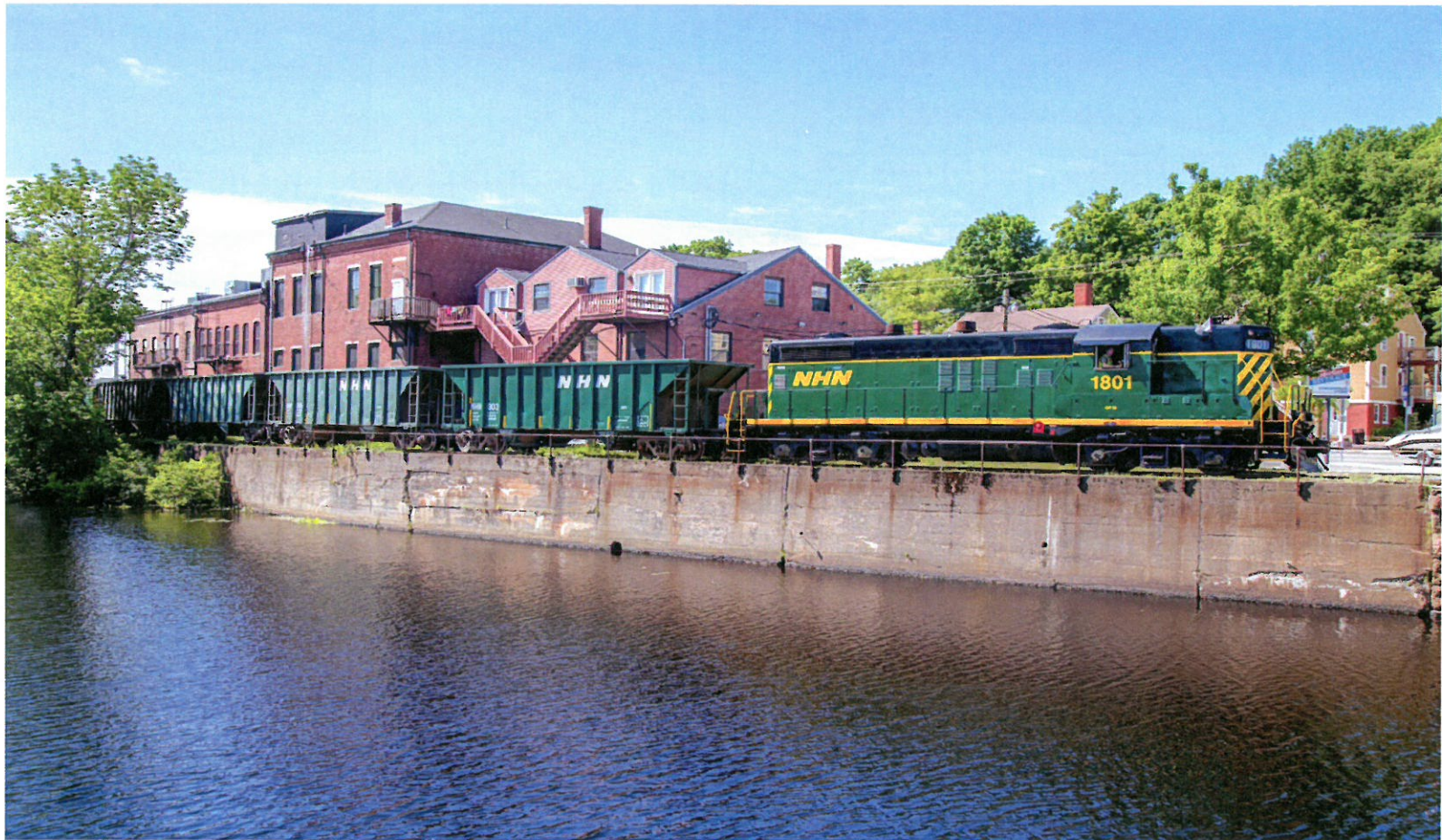
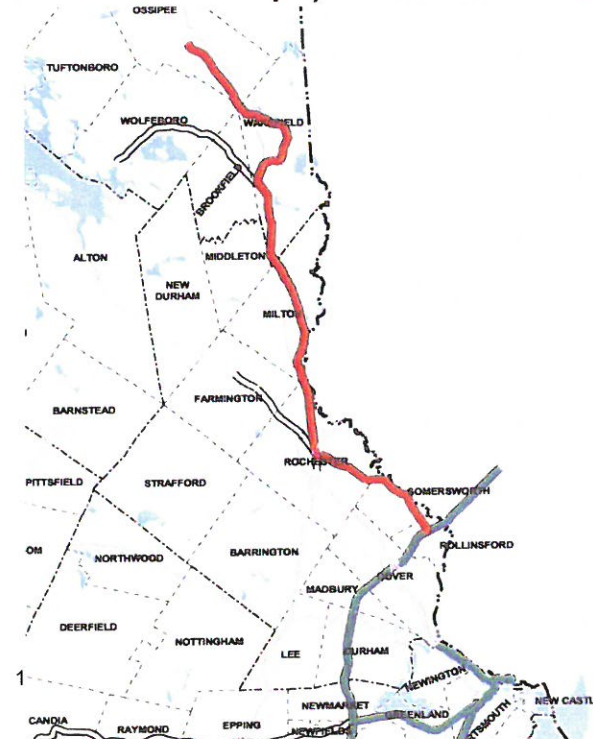
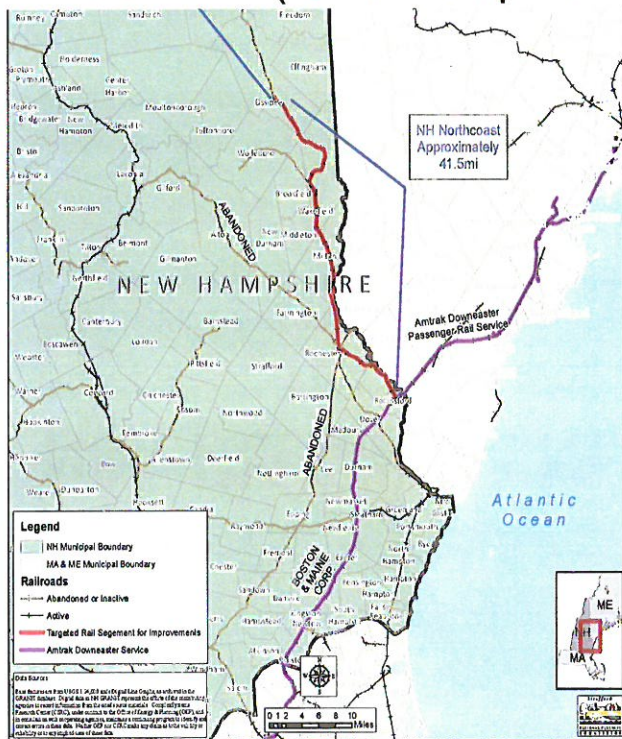


New Hampshire Northcoast Railroad (NHN) Track Rehabilitation Project NH Legislative Presentation Spring, 2019



New Hampshire Northcoast Corporation (NHN) Who We Are and What We Do

- 42 mile short line railroad (Rollinsford, Somersworth, Rochester, Lebanon, ME (1/2 mile), Milton, Wakefield and Ossipee). Part of old “Conway Branch” of former B&M.
- Connects with Pan-Am (formerly B & M) main line in the south and the rail corridor owned by State of NH to the north.
- Hauling freight for more than 150 years
- Passenger service and Ski Train discontinued in the early 1960’s.
- 1985 - the line was purchased from the B & M by Boston Sand & Gravel Co. and became the NHN (New Hampshire Northcoast Corp.) short line railroad.



New Hampshire Northcoast Corp. (NHN) Freight Facts

- Biggest freight commodities are Concrete Sand - Ossipee Aggregates Corp., Ossipee, NH and Propane - Eastern Propane, Rochester, NH
- Annual total (100-ton) freight cars: approx. 5,700 cars / 570,000 tons
 - Concrete Sand: approx. 4,800 cars / 480,000 tons
 - 20% tons/yr. to trans-loading facility in North Rochester, NH
 - 80% tons/yr. to concrete plants in Boston, MA
 - Propane: import avg. 800 tanker cars / 80,000 tons/yr.
 - Steel: 2018 - 170 cars /17,000 tons of steel
- Present volume moves approx. 570,000 tons/yr. (that's 5,700 100-ton rail cars)
- **In trucking terms: equivalent of 37,000 trailer or tanker round trips per/yr.**



NHN's North Rochester Trans-Loading Facility Services Eastern Propane and Ossipee Aggregates



Rail Freight Reduces Truck Volumes, Highway Maintenance Costs & Carbon Emissions Increases Highway Safety

- NHN tracks closely parallel NH Route 16 and the Spaulding Turnpike, the two major north/south arteries to and from NH's "Northeast Kingdom," which serve truck, commuter and tourist traffic.
- NHN current freight volumes eliminate 37,000 heavy tractor trailer/tanker trips/year.
- NHN annual freight volumes at times have reached more than a million tons/year or the equivalent of 65,000 trailer truck/tanker trips/year
- **Over the past 35 years, NHN trains have moved 26 million tons of freight**
- **Taking 1.6 million heavy truck trips off NH highways and bridges, which**
- **Dramatically increases fuel efficiency and decreases carbon emissions.**
- **This greatly improve highway safety. and significantly**
- **Reduces wear and tear and the related NH highway maintenance costs.**

NHN Track Maintenance

A Public-Private Partnership



- Since the 1980's, NHN has partnered with private businesses, municipalities, the state and the federal governments in the funding of the maintenance and rehabilitation of the NHN track structure.
- 5
- NHN spends \$350,000 - \$1,000,000 per year on track repairs
 - 100% of the rail and 95% of the ties have been replaced since 1985
 - NHN has 49 grade crossings (intersecting with 41 public and 8 private roads) 35 (71%) are signalized – one of the highest percentages for US short line railroads
 - Since 1990, NHN has installed or upgraded all signalized crossings using federal programs administered by NHDOT and funding assistance from businesses and municipalities

Private-Municipal-State-Federal Funding

Recent Track Maintenance Partnerships

- **2017 Capital Budget Match Appropriation – \$1.8 million critical track rehabilitation (50/50 funded by NHDOT and NHN RR) – approved by Governor & Council 9/27/17 – project finished in 2018.**
- Canal Street Signalization, Somersworth – paid for with federal, NHN, state and private funding
- Acton Ridge Road Signalization and Crossing Realignment, Wakefield – paid for with federal, NHN and state monies.
- Market Street, Somersworth & Berwick, ME – paid for by NH, Maine & NHN



2013 - 2015 Federal TIGER Grant

- 2013 NHN awarded a federal TIGER grant for a \$2 million rehabilitation project (\$1.4 million - federal; \$450,000 - NHN; \$150,000 - State of NH)
- 9,000 new and relay ties, a linear mile of relay rail, 2 crossings & ballast for rail bed
- Repair of 20-year-old major washout north of the Ossipee sand pit
- This washout repair **opened up hundreds of acres of private land for potential rail customers and economic development in Ossipee**
- **Restored connectivity** of the rail corridor from Ossipee to Conway, which is owned by State of NH

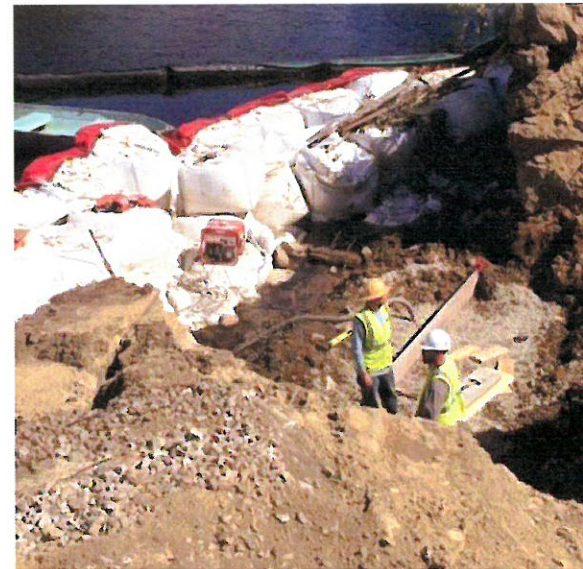


Washout Repair 2015 TIGER Grant



NHN Track Maintenance & Costs

- NHN maintains: 247,000 ties, 84 linear miles of rail, 49 crossings, over 100 culverts, several bridges and retaining walls, and 42 miles of rail bed and ballast
- The 12,500 replacement ties installed in the prior 2018 State/NHN funded project represented only 5% of NHN's total ties
- In 2016 and 2017 NHN replaced approximately 10,000 ties (4%) on its own
- Tie and steel costs fluctuate; quality goes down - Life expectancy of ties less
- Unexpected major repairs are borne entirely by the railroad:
- 2014 sinkhole in the retaining wall along Salmon Falls in Somersworth **shut down that section of the line for 5 weeks** (freight had to be unloaded onto trucks in Rochester, and then transferred back to rail cars in south Somersworth)
Cost: Emergency repair - \$260,000 in direct repair costs alone



Emergency Culvert Repair - 2018

Required Wetlands & Army Corps Permits: \$80,000

Before & After



**NEW HAMPSHIRE NORTHCOAST (NHN)
PROPOSED TRACK REHABILITATION PROJECT
2019 - 2020**

TOTAL PROJECT COST **\$2,000,000.00**

SOURCE OF FUNDS

NH DOT

\$1,000,000.00

NHN MATCH

\$1,000,000.00

ESTIMATED EXPENDITURES

COST per Unit

COST Extended

Replace Obsolete and Worn Welded Rail, 21,122 l.f., btw MP 70 to MP 79, various locations ** \$35.00 \$739,270.00

Remove & Install 3,000 Ties (labor, materials*** & disposal included), various locations \$102.30 \$310,480.50

Replace Airport Culvert, MP 78.35, Rochester * ** \$175,000.00 \$175,000.00

Complete Rebuild, Hayes Crossing, MP 84.5, Milton ** (incl. road work, rail, ties and new signals) \$300,000.00 \$300,000.00

Complete Rebuild, Crocketts Crossing, MP 71, Somersworth** (incl. road work, rail, ties, and new signals) \$275,000.00 \$275,000.00

Complete Rebuild, Rhines Rd. Crossing, MP 96.8, Wakefield ** (incl. road work, rail, ties, and new signals) \$200,000.00 \$200,000.00

TOTAL ESTIMATED EXPENDITURES

\$1,999,750.50

NOTES:

* includes permitting & earthwork

** estimated cost includes labor and materials

*** spikes, tie plates, joint bars and bolts as necessary

ALL QUANTITIES ARE SUBJECT TO CHANGE BASED ON MATERIAL PRICE FLUCTUATIONS

THE FINAL NUMBER OF TIES INSTALLED WILL BE DETERMINED BY THE OVERALL NET SAVINGS/OVERRUNS

EXHIBITA

Narrative

St. Lawrence & Atlantic Railroad/New Hampshire State Capital Fund Project

The route of the St. Lawrence & Atlantic Railroad (SLR) provides connectivity between the North American freight rail network and the "North Country" region, serving Gorham, Berlin, Stark, Groveton and North Stratford. The SLR is a vital transportation link for existing as well as future NH businesses that depend on freight rail shipments.

The current freight car load weight limit on the line is restricted to 263,000 lbs. per rail car, vs. the modern North American industry standard of 286,000 lbs. This restriction results in businesses shipping partially loaded freight railcars while paying to ship fully loaded railcars. This puts NH businesses at a competitive disadvantage. Beginning in the early 1990's work began along this key corridor to upgrade the main line rail and infrastructure between Auburn, Maine and the end of the route outside metropolitan Montreal, Quebec. Examples of current SLR traffic include forest products, pulp & paper products, propane and plastic.

Much of the existing rail is of lighter #100 Lb. weight, over 80 years old, bolted in 39 foot sections, and made with the inferior non-controlled cooled technology. The obsolete rail is prone to internal metallurgical failures, creating risks for derailments if undetected, and is outdated for modern railcar weight capacities. Through a series of federal and state public - private partnerships and a steady stream of investments by SLR, most of the line has been upgraded with new heavier continuous welded rail. The route is down to the last 11 miles of obsolete rail in New Hampshire. Replacement of 34,600 linear feet of this rail with new 115# continuously welded rail will progress towards the ultimate goal of opening up the entire route to modern 286,000 lb. freight carload shipments, return the track to a state of good repair, and allow for significant future growth in freight shipments. The SLR is the only connection with the State-owned New Hampshire Central RR.

Public Benefits of this Project:

- Improves sourcing and distribution options for current businesses in New Hampshire to receive and ship 286,000 lb. rail cars.
- Increases freight rail capacity to the publicly owned seaport facilities in Portsmouth, New Hampshire.
- Increases marketability of industrial sites (greenfield and brownfield) on the corridor, helping with industrial sector job creation.
- Opens markets for export shippers in New Hampshire.
- Long term and meaningful transportation infrastructure improvements in a region currently faced with inadequate freight transportation options and increasing freight demands.
- Significant matching funds provided by SLR (50%)
- Moves towards completion of a long term project actively supported by three states (NH/VT/ME) and the Province of Quebec as well as many regional stakeholders.

The Project will install new 115# continuously welded rail on the SLR main line in Coos County:

MP 122.45 to MP 125.72, between Groveton and Mapleton

Initial **g.**

SLR-NHDOT RAIL REPLACEMENT PROGRAM
2019-01-21

NORTH STRATFORD

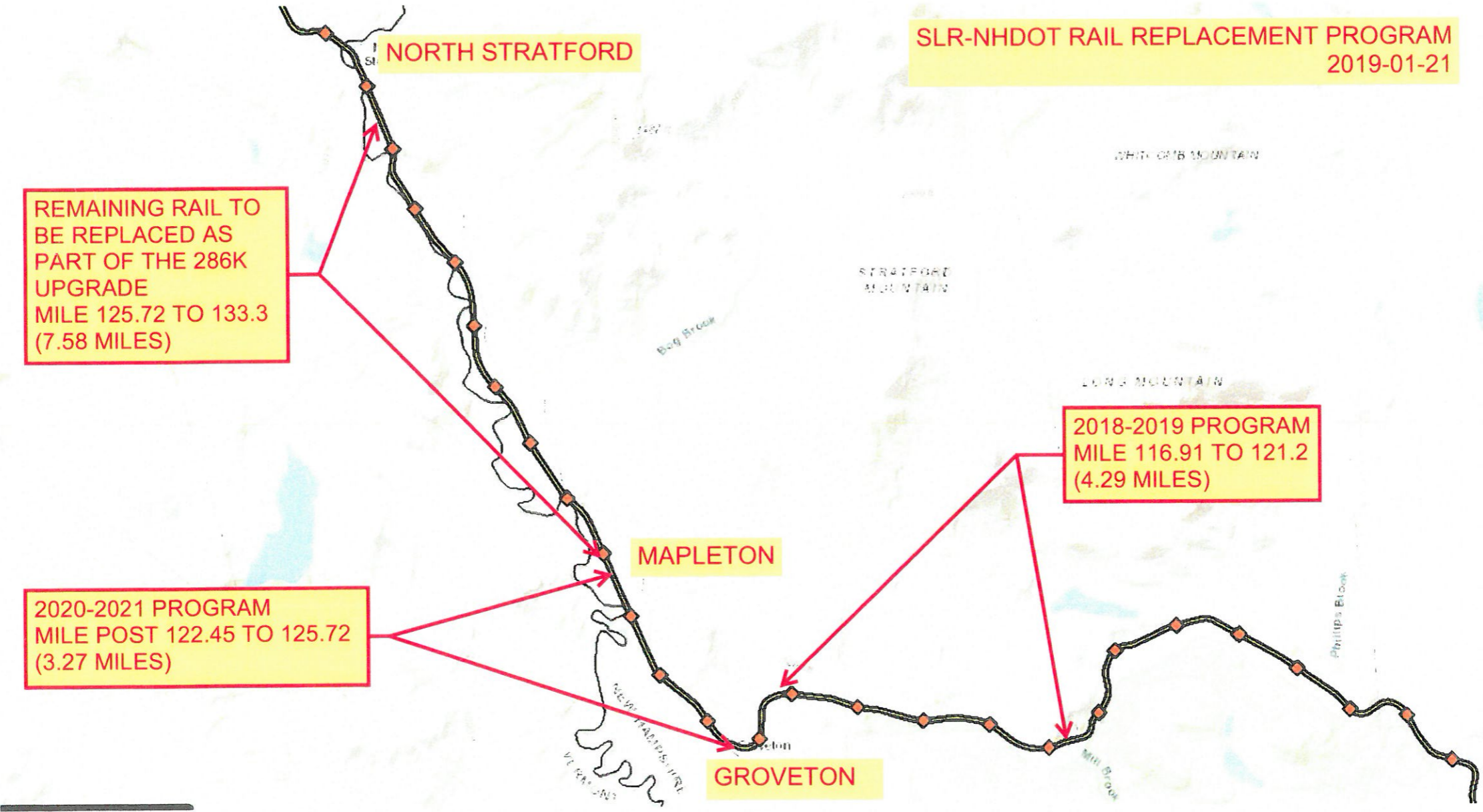
REMAINING RAIL TO
BE REPLACED AS
PART OF THE 286K
UPGRADE
MILE 125.72 TO 133.3
(7.58 MILES)

2020-2021 PROGRAM
MILE POST 122.45 TO 125.72
(3.27 MILES)

MAPLETON

GROVETON

2018-2019 PROGRAM
MILE 116.91 TO 121.2
(4.29 MILES)





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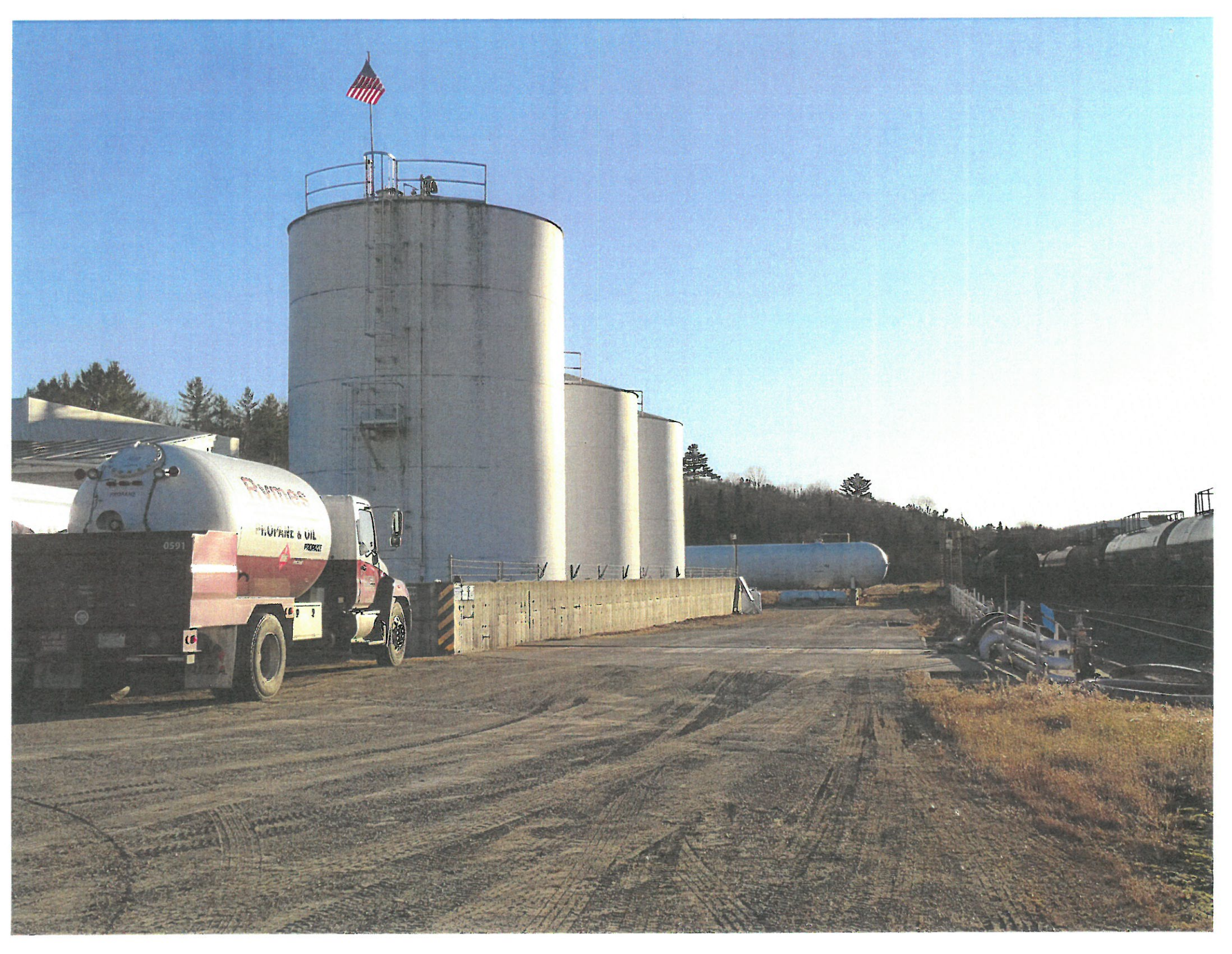
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