

APPENDIX B—2021 PLAN ADDENDUM TO 2013 PLAN

The Alabama Department of Transportation on July 9, 2021 adopted this addition to the 2013 Alabama Rail Plan.

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Appendix B – Addendum to Plan

The Alabama Department of Transportation (ALDOT) as developer of the State Rail Plan (SRP) cooperates with the Governor's office and other State agencies to support industrial/economic development initiatives as appropriate. This SRP Addendum consists of two projects both sponsored by the Alabama State Port Authority (ASPA).

Project 1, T ASD Railroad Capacity Improvements, proposes to increase the rail capacity of ASPA's Terminal Railway Alabama State Docks (TASD) that serves Port of Mobile terminals and provides freight and/or container intermodal switching services for five Class I and three other railroads. TASD also provides import/export and domestic rail services to the seaport terminals and railroads for Mobile area industry not served by the Class I or other railroads.

Project 2, Montgomery Inland Intermodal Freight Facility, proposes to construct a new Intermodal Container Transfer Facility (ICTF) located in Montgomery. This facility would provide an efficient and cost-effective container intermodal rail option for shippers utilizing the Port of Mobile. It supports business retention, expansion and investment opportunities for the State of Alabama, provides less expensive supply chain services benefiting exporters and consumers, and reduces cargo movement rail and/or truck miles, with corresponding environmental benefits.

These projects build on or leverage recent Port of Mobile projects, some of which were identified in the SRP, that have since been completed. Completed projects include construction of the Container Terminal at Choctaw Point, and rail access bridge at the Port of Mobile improving connections between TASD and five Class I railroads and the Garrows Bend ICTF.

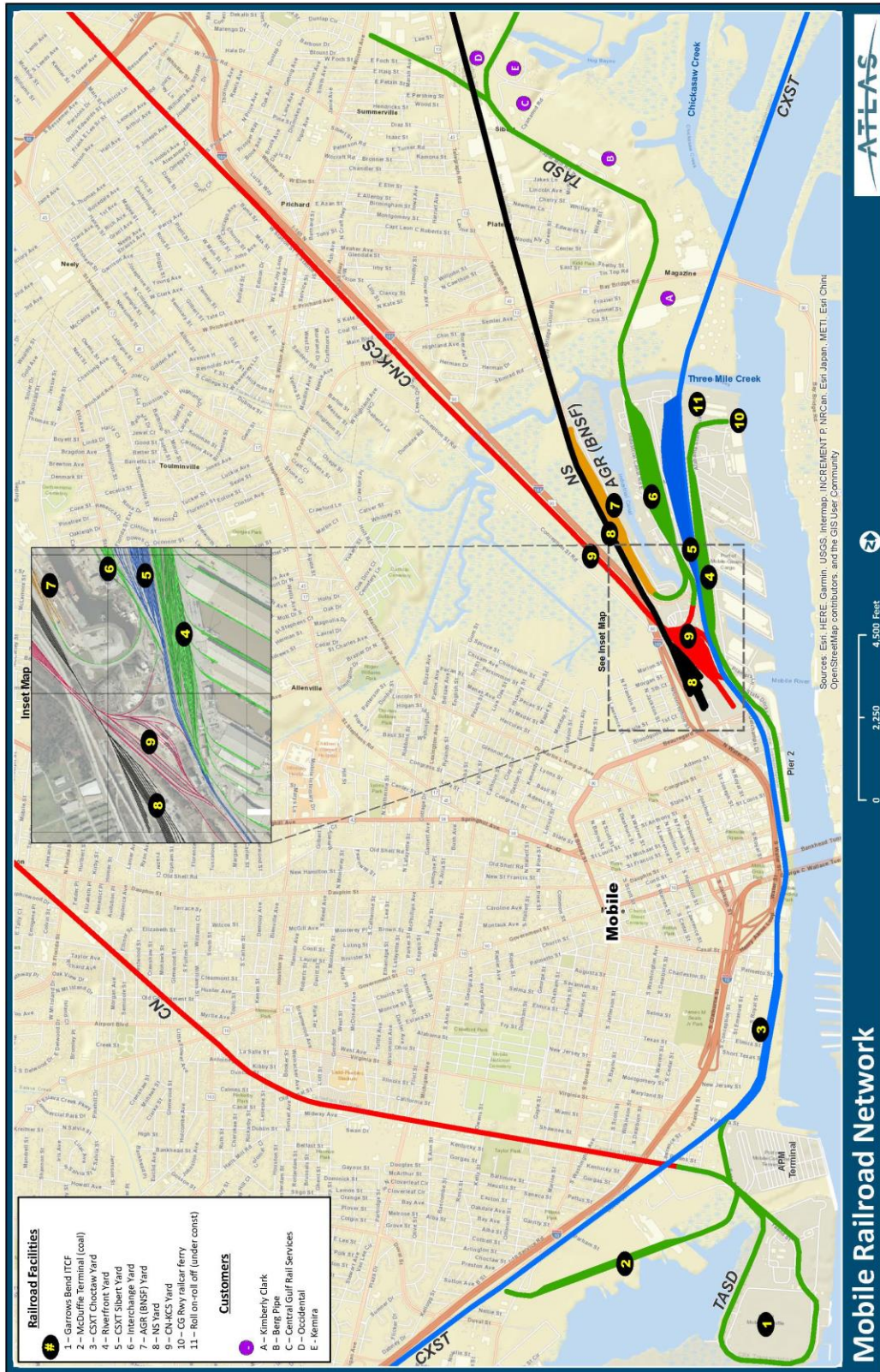
The projects leverage U.S. Army Corps of Engineers dredging that is underway to deepen to 50-feet and widen the channels used by water-borne traffic to and from the Port. The TASD projects would improve rail connectivity and services to regional and national agribusiness and mining and advanced manufacturing shippers utilizing the Port of Mobile, as well as the recently completed international temperature-controlled products distribution center and a new roll on-roll off finished vehicle facility. They would also support future freight and container intermodal users investing in ASPA's new logistics park that targets distribution, logistics and value-added industry markets. A Montgomery ICTF would support import/export and domestic container intermodal rail shipping for the high growth automotive, retail distribution, advanced manufacturing, and agribusiness sectors.

Project 1: T ASD Railroad Capacity Improvements

The FAST Act requires the Port Performance Freight Statistics Program identify the top U.S. ports for port performance measures in the categories of overall cargo tonnage, 20-foot equivalent unit (TEU) container cargo, and dry bulk cargo tonnage. The Port of Mobile freight mix is very diversified. Mobile is one of only six U.S. ports in the top 25 in all three categories.

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Mobile's 11.7% growth in container traffic in 2020 was the largest of any of the top 25 container ports in the U.S. Its rank among container ports climbed to 17th in 2020 from 23rd in 2015, because of West Coast port congestion driving traffic to east coast ports and the availability of Port container capacity. Approximately 8% of Mobile container traffic moves by rail, a reflection of southern Alabama being the Port's current principal container traffic market.

Overall tonnage is driven by heavy commodities more likely to be transported on land by rail. Approximately one-third of overall tonnage at the Port is export metallurgical grade coal, of which 55%-60% moves on land by rail. Mobile was twelfth among US ports in overall tonnage in 2019.

The length of the water route between the Panama Canal and Mobile is shorter than that between the Canal and other Atlantic southeastern US ports because it is direct and without requiring navigation around Cuba. Rail routes between the Port to the upper Midwest are comparable in length to those of southeastern Ports, and shorter to the Great Plains.

TASD is both a switching and seaport terminal railroad. It switches all seaport rail traffic, originates or terminates most Mobile line haul traffic, and handles all the interchange between line haul and short line railroads. Figure B-1, Mobile Railroad Network, maps the locations of selected TASD rail-served public seaport facilities and rail customers.

The CSX Transportation (CSXT) network is the only one of five Class I railroads serving Mobile that does not terminate in Mobile. It has by far the largest volume of through railroad traffic. CSXT's Sibert Yard, by far the largest of Mobile area Class I railroad yards, is situated between ASPA's public seaport terminals and its TASD Interchange and Terminal Yards. CSXT's main line extends southward from Sibert Yard to lower harbor seaport facilities, Brookley Aeroplex, and the harbor's Theodore Ship Channel industries and continues through Mississippi to New Orleans.

TASD traffic between its Interchange and Terminal Yards must crossover two CSXT main tracks at the south end of Sibert Yard. The switches and crossovers are located in a large complicated interlocking that was last reconfigured very near the end of the 20th century. TASD crossover through the interlocking largely ties up the entire interlocking. The interlocking is used in connection with Sibert Yard operations, thus TASD crossover movements occur against a background of CSXT through trains, and CSXT yard activity. TASD capacity improvements will be costly given the circumstances.

An additional complicating consideration is that ASPA's riverside rail-served public seaport facilities are clustered in two separate locations; north of the downtown Mobile Convention Center from Pier 2 extending northward to Three Mile Creek; and the Garrows Bend ICTF and McDuffie Terminal located 2.5 miles south of Sibert Yard that are accessed by TASD via CSXT's Choctaw Yard. TASD utilizes trackage rights within operating windows on CSXT to serve all of the seaport public terminals and its Interchange Yard.

The majority of McDuffie Terminal coal is delivered by rail is delivered by CSXT. Canadian National (CN)-carried coal is delivered via a CN railroad-railroad grade crossing of CSXT located south of Choctaw Yard. Norfolk Southern-carried coal is delivered by TASD via

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trackage rights on CSXT. T ASD utilizes trackage rights on both CSXT and CN for container intermodal rail traffic to and from Garrows Bend ICTF.

The project involves various types of capacity and safety improvements to prepare the Port for continued rail freight and intermodal container traffic growth:

- General freight and intermodal yard capacity increases in the form of reconfigured and new capacity tracks to accommodate growing rail traffic volumes, the building of trains to be handed off by T ASD to Class I and other railroads, and railcar storage demand.
- Capacity improvements in the form of improved rail connections, and
- Equipping T ASD locomotives with Positive Train Control equipment to improve safety in connection with T ASD movements across CSXT between the Interchange and public seaport terminals, and along CSXT between those facilities and Garrows Bend ICTF and McDuffie Terminal.

The estimated total cost of the improvements is up to \$60,000,000. Project funding to be provided by ASPA and the State of Alabama. Federal funding, necessary to complete the project, is being sought.

Project 2: Montgomery Inland Intermodal Freight Facility

ASPA, in partnership with the City of Montgomery and CSXT, proposes to develop an inland port ICTF located near Montgomery in central Alabama. This new ICTF primarily will support the freight transportation needs of manufacturing, including notably growing motor vehicle production, and agricultural and retail markets in central Alabama and to a lesser extent the Southeast, Midwest, and beyond. It will be owned and be operated by, or its operation overseen by, ASPA.

FHWA projects Interstate 65 (I-65) throughout Alabama to become a high-volume truck route (10,000+ trucks per day) subject to peak period congestion prior to 2035.¹ It is estimated that initially containers moved by 100 trucks per day between Mobile and Montgomery will be diverted to rail upon ICTF opening, and continue to grow thereafter. The ICTF will reduce truck traffic on I-65 and provide the corresponding environmental and safety benefits of rail relative to truck, rail transportation requiring less fuel and being safer than highway transportation, while supporting continuation of economic growth.

The estimated total cost of engineering, construction and initiation of operations, including nominal highway improvements to improve accessibility is up to \$64,000,000. The ICTF site is located near and in between two interstate interchanges. ASPA has optioned in excess of 250 acres of land for this project and completed 10% of the engineering. Public project funding to be provided by the State of Alabama and ASPA. CSXT has also committed substantial funding. Collectively the non-federal sources would fund in excess of one-half of the total cost. Federal funding, necessary to complete the project, is being sought.

¹ https://ops.fhwa.dot.gov/freight/freight_analysis/freight_story/congestion.htm