

# Proactive Natural Gas Development Partner



***SEDA-COG Joint Rail Authority  
Lewisburg, PA***



# The SEDA-COG Joint Rail Authority

- Since 1983: Classic public-private partnership which is an 8 county joint municipal authority
- JRA owns the railroad and related property (grew trackage from 80 to 200 miles)
- JRA contracts for private railroad operation:
  - North Shore Railroad and Affiliated Companies
    - Lycoming Valley RR
    - Juniata Valley RR
    - Nittany & Bald Eagle RR
    - Shamokin Valley RR

# Public-Private Partnership Structure



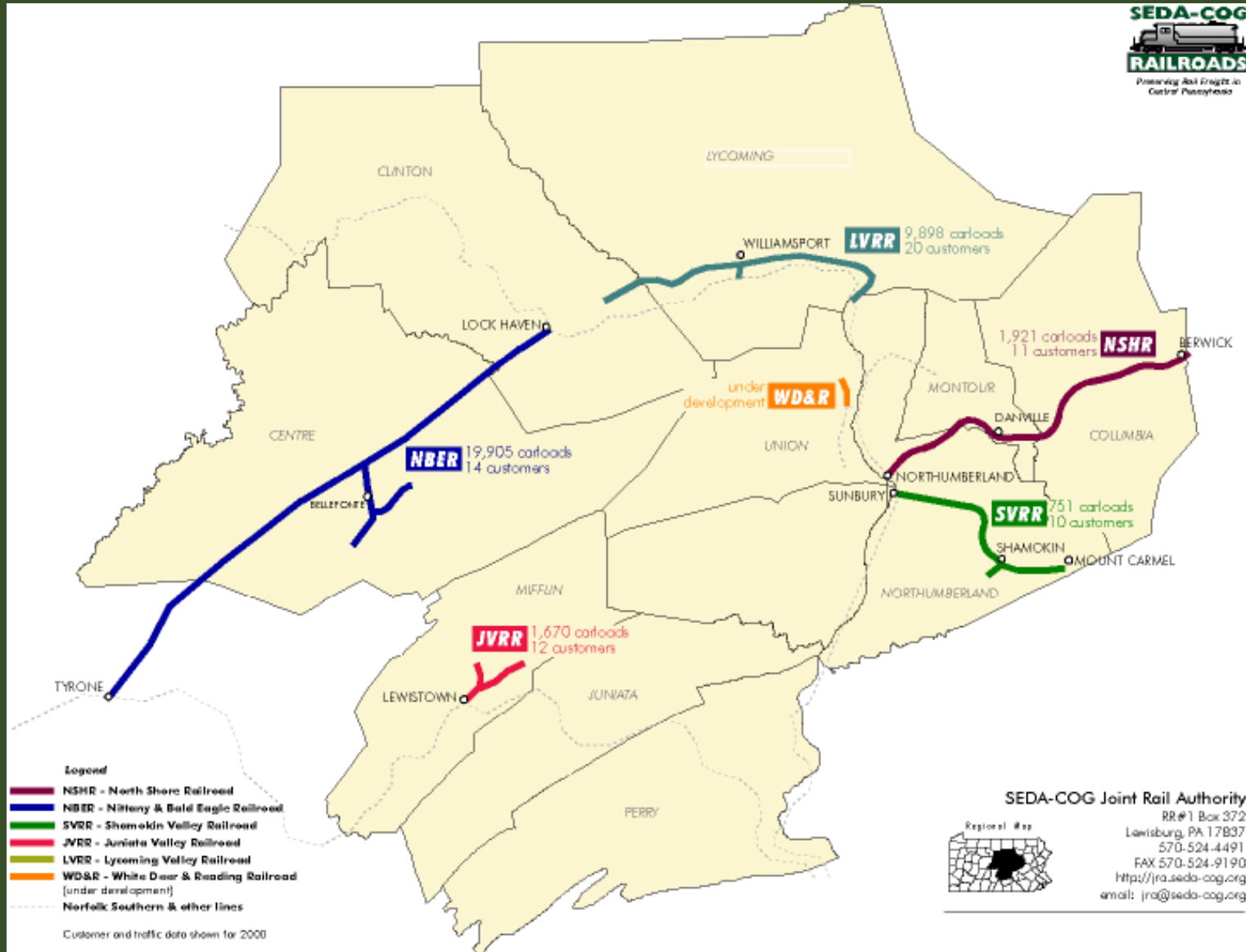
## ■ SEDA-COG JRA Role

- Rail system oversight and strategic planning
- Capital facilities upgrades and expansions
- Land and site acquisitions and developments
- Vehicle for shipper and public accountability

## ■ Railroad Operator Role

- Rail freight service operations (power and crews)
- Track maintenance
- Customer services and marketing
- Primary interface with Class 1 railroads

# JRA System - 200 route miles

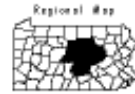


**Legend**

- NSHR - North Shore Railroad
- NBER - Nittany & Bald Eagle Railroad
- SVRR - Shamokin Valley Railroad
- JVRR - Juniata Valley Railroad
- LVRR - Lycoming Valley Railroad
- WD&R - White Deer & Reading Railroad  
[under development]
- - - Norfolk Southern & other lines

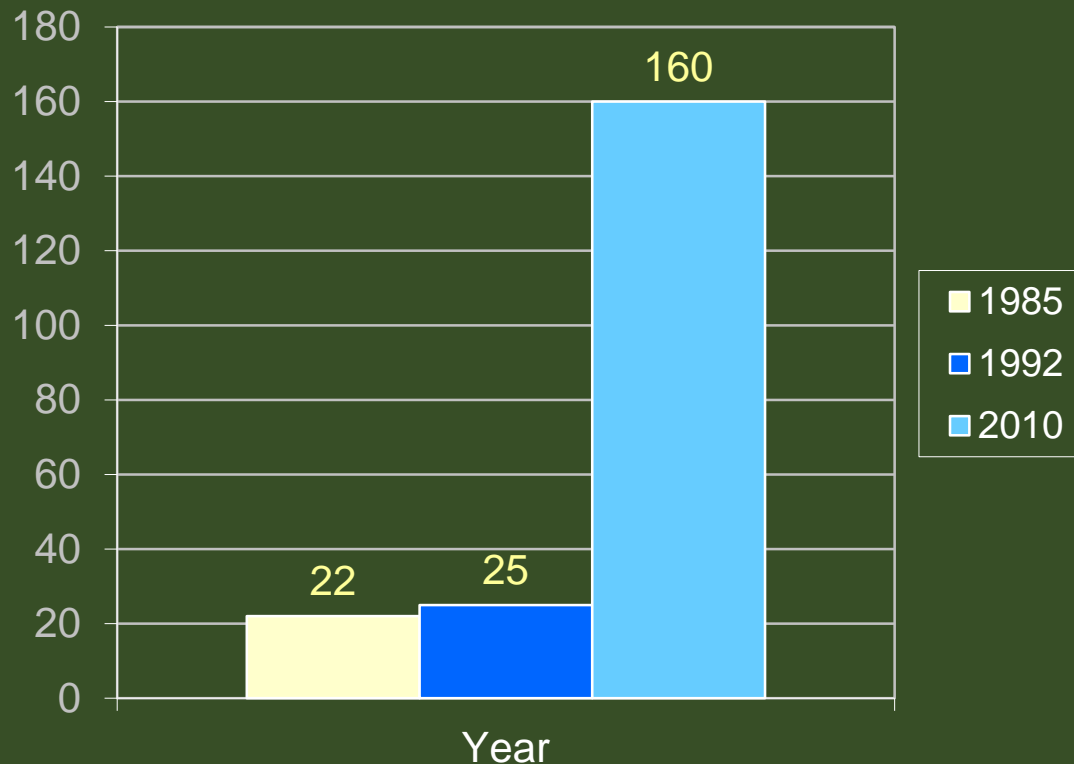
Customer and traffic data shown for 2000

**SEDA-COG Joint Rail Authority**



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 Lewisburg, PA 17837  
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 FAX 570-524-9190  
<http://jra.seda-cog.org>  
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# Traffic Density 1985-1992-2010



**1986 Traffic:**  
1,900 carloads

**2010 Traffic:**  
32,000 carloads

Total Jobs Retained 1985 = 3,000

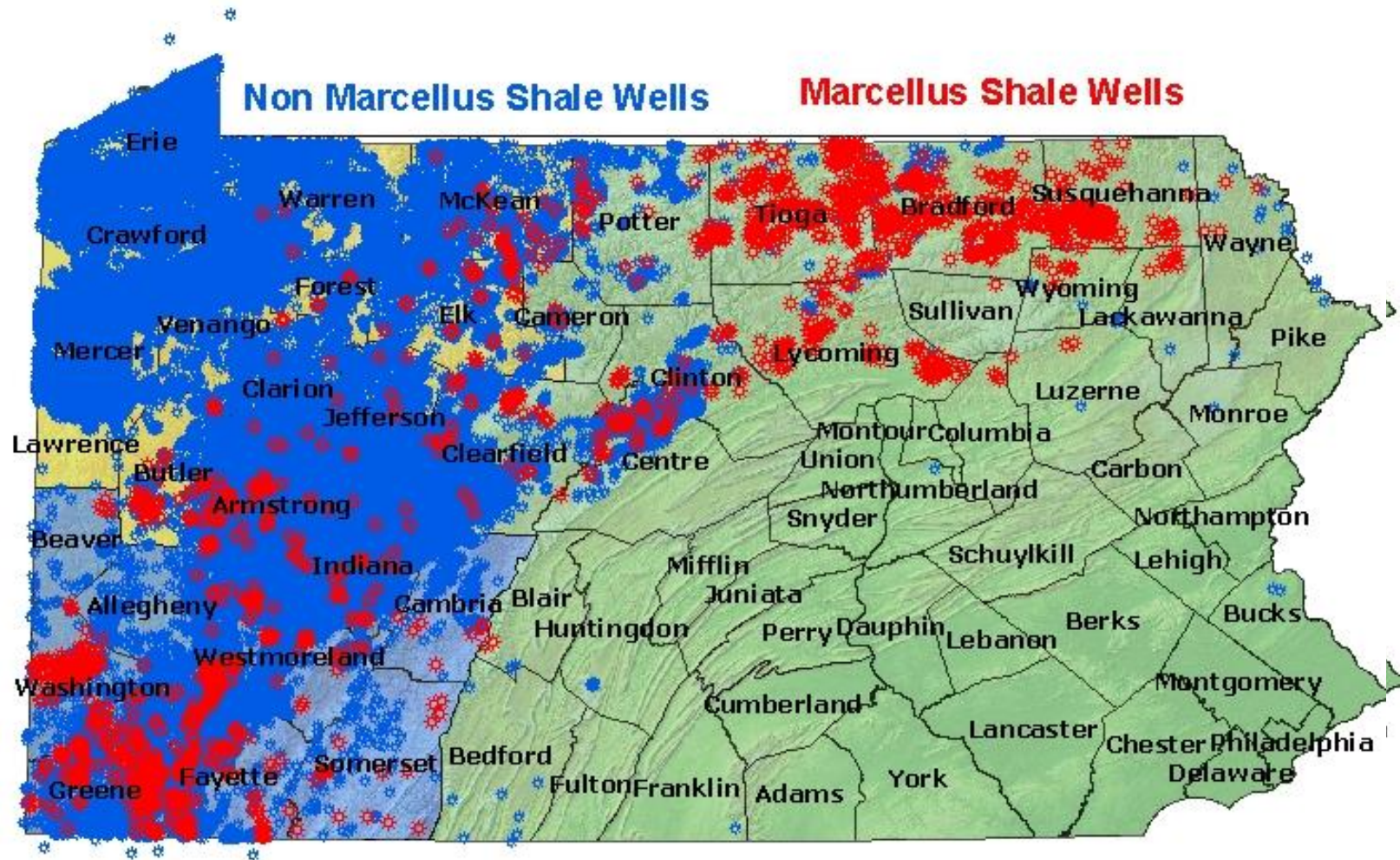
**Current Employment of Our 100 Customers = 9,500+**

# Rail Role in Marcellus Development

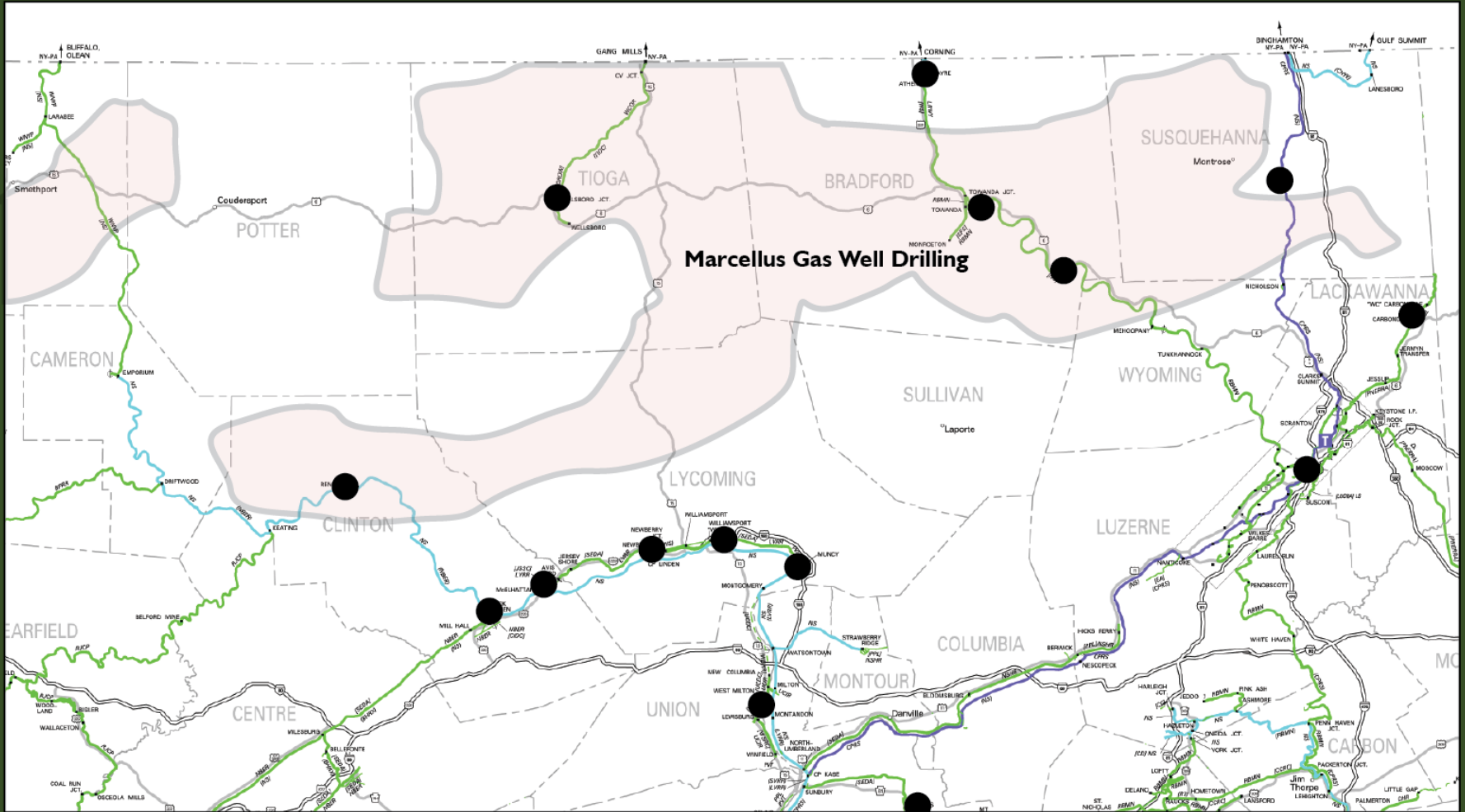


- Commodities handled by rail:
  - **Frac Sand**
    - “Regular” frac sand
    - Coated resinous sands
    - Ceramic proppants
  - **Pipe (downhole, gathering and transmission)**
  - **Hydrochloric acid**
  - **Drill cuttings**
  - **Brine water/sludge**
  - **Cements and related materials**
  - **Miscellaneous**
    - Mats
    - Equipment

# Marcellus Shale Drilling in PA



# Marcellus Shale Drilling and Rail Facility Locations

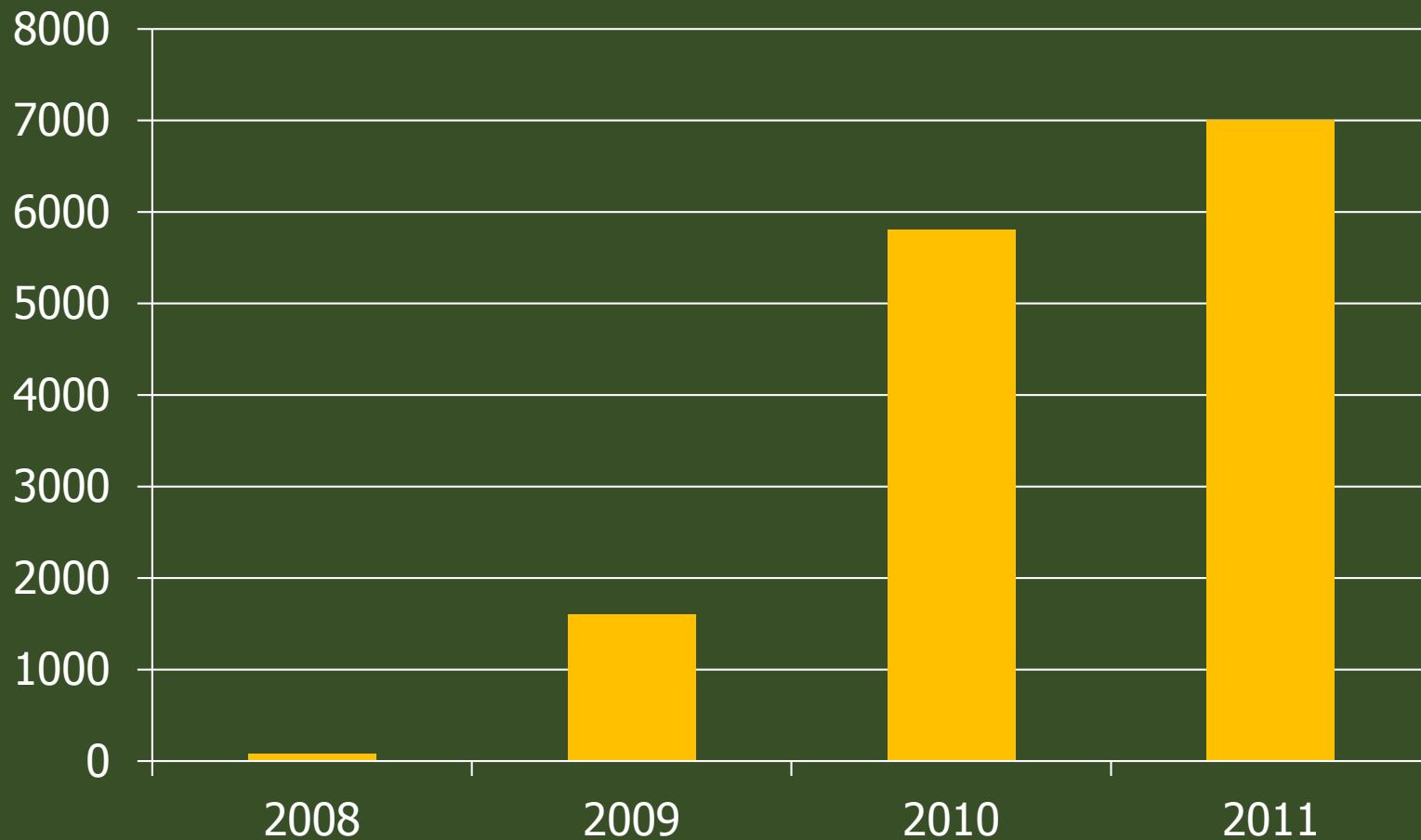


● Rail-truck terminals or transloads



# Lycoming Valley Railroad Gas Related Traffic

## Carloads per Year



# LVRR-Newberry Yard

**LVRR Engine House**  
In 1999, JRA builds new engine house to be occupied by LVRR. Later substantial improvements made to other buildings in yard.

**Kennedy King Industrial Site**  
JRA partnered with city to develop rail-served site using DCED \$1 million grant. Site now home to M. I. Swaco.

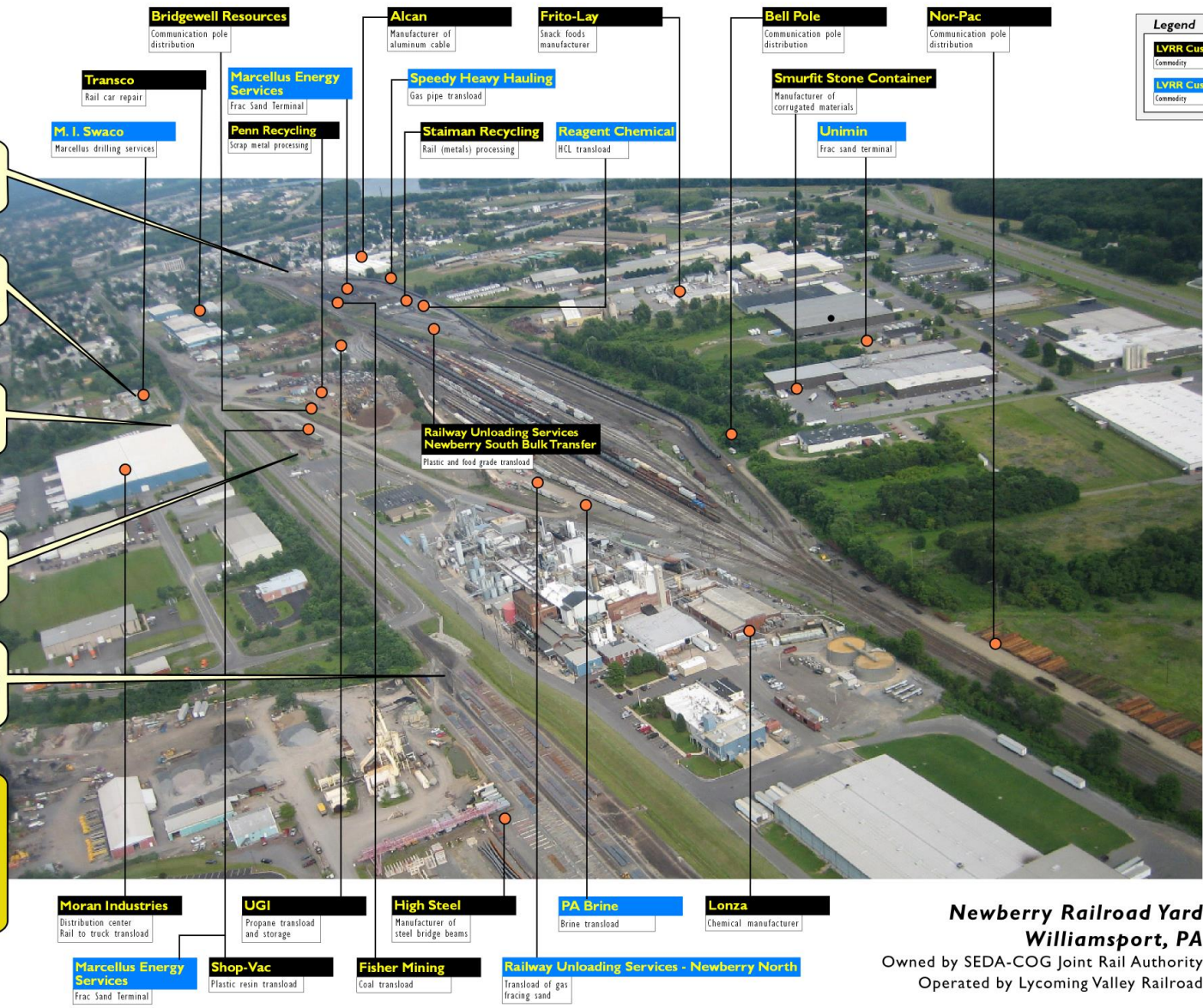
**DCED Infrastructure Grant**  
\$126,000 awarded to JRA to construct turnout and related track work to serve Moran Industries distribution center.

**Lonza**  
JRA sold property to Lonza so that this company could make major site and security improvements.

**High Steel**  
JRA sold property to High Steel in the late 1990's to accommodate their expansion. Project included improvements to High Steel's ability to use rail service

**Did you know this about the Newberry Yard?**

- ▲ Has about 20 miles of track
- ▲ Contains 109 acres
- ▲ Extends for nearly 1.5 miles from end to end
- ▲ Largest railroad yard between Buffalo and Harrisburg



**Legend**

**LVRR Customer**

Commodity

**LVRR Customer - Marcellus related**

Commodity

## Newberry Railroad Yard Williamsport, PA

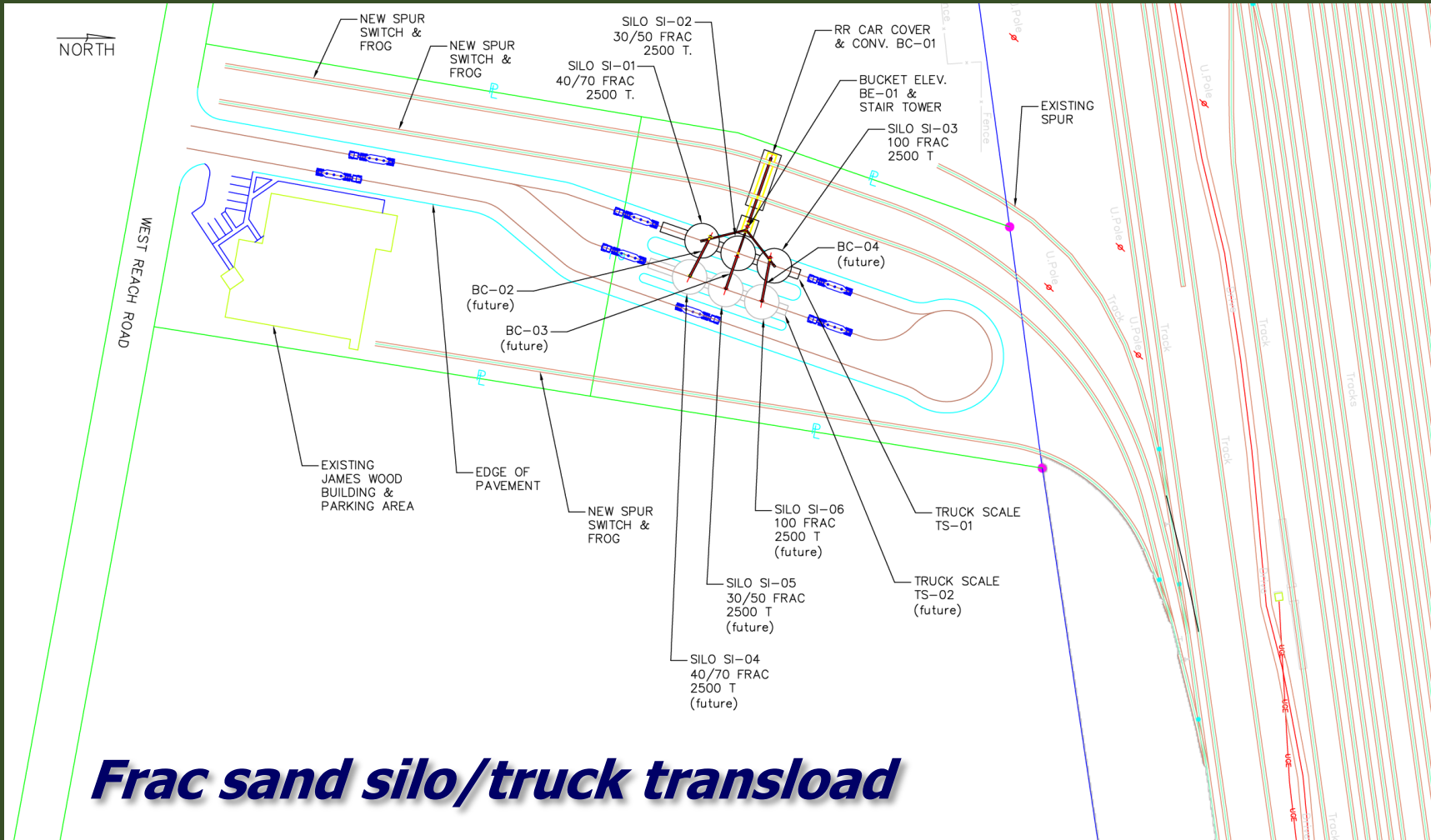
Owned by SEDA-COG Joint Rail Authority  
Operated by Lycoming Valley Railroad

# **LVERR-Newberry Bulk Transfer Facility**



*Transload frac sand rail to truck*

# LVRR-Newberry Reach Road Terminal



***Frac sand silo/truck transload***

# LVRR - Williamsport M. I. Swaco



***"Mud Plant"***

# LVRR - Williamsport HCL Transload



*Reagent Chemical – Hydrochloric  
Transload under construction*

# JRA Property Nearing Full Utilization



- We are working with the IPC in Williamsport and Mifflin County IDC to identify new sites along the various rail lines.
- Virtually all of Newberry Yard not necessary for operations has been occupied.
- JRA actively looking for additional land adjacent to existing railroad properties

# JRA as Proactive Economic Development Partner

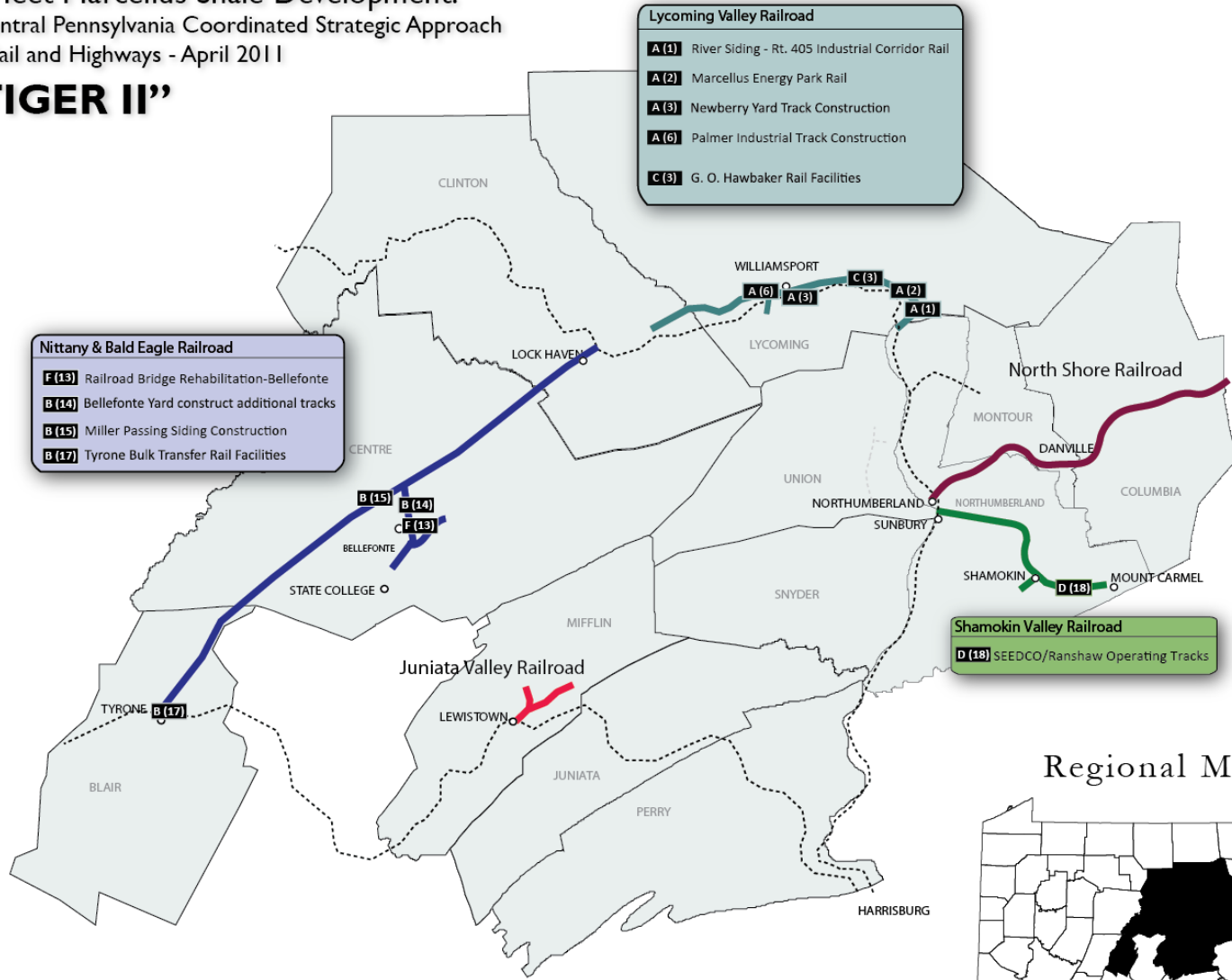


- TIGER II/RACP/PIB Projects
  - + \$4.7M SEDA-COG Joint Rail Authority
  - + \$10M U. S. DOT TIGER II Grant
  - + \$3.85M PennDOT Grant (RTAP)
  - + \$12.6M PIB Loan
  - + \$750K RACP Grant
  - + \$2.2M Private Partners and North Shore RR
  - = ***16 Projects in Six Counties Totaling \$34.1M***

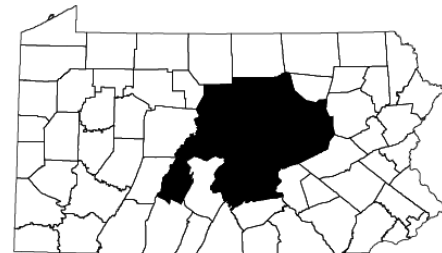


# Central Pennsylvania Infrastructure Expansions to Meet Marcellus Shale Development: A Central Pennsylvania Coordinated Strategic Approach for Rail and Highways - April 2011

## “TIGER II”



Regional Map



# **JRA as Proactive Economic Development Partner**

- **JRA role:**
  - Strategic rail system expansion
  - Long-term rail system capacity retention
  - Rail capacity outlasts individual corporate transitions = strong asset to attract future industries
  - Mobilize/maximize public and private investments in rail freight infrastructure



**Questions?**