BCA NARRATIVE

The Project will create a safe and reliable transportation network through Maine to the Atlantic coast by upgrading both north-south and east-west rail lines and putting them into long-term Class 3 track condition. The Project allows the region to better compete in the global environment as more goods in the region will ship via rail which is more environmentally friendly and economically efficient. The Project creates far greater reliability in the rail system,

giving shippers the confidence to shift traffic to rail and off regional roadways which will make them safer and save fuel and harmful emissions. The Project has the added benefit of bringing back much-needed jobs to the region that were lost when Maine's forest products industry was devastated by overseas competition.

7% NPV Summary		
	Costs	Benefits
САРЕХ	\$57,271,081	
Maintenance		\$66,245,809
Travel Time Savings		\$3,664,999
Truck Elimination		\$3,879,862,955
Rail Cost Baseline	\$385,677,854	
CO2 Savings (@3% disc)		\$169,655,766
TOTAL	\$ 442,948,935	\$ 4,119,429,529
Benefit-Cost Ratio	9.30	

For the public, the Project reduces dependence on local and regional roads to transport goods while simultaneously reducing the risk of serious and fatal crashes. It satisfies the USDOT goal of improving first-mile and last-mile access for shippers and affords the environmental benefits that accrue when goods spend most of their transit time on rail instead of the highway.

Driven by the increased but conservative growth in rail traffic along the line should funding be awarded, along with associated operating improvements and risk reduction, the Benefit-Cost Analysis for the Project yields a 9.30:1 ratio. At each point, conservative assumptions were made including the assumption of 3.5 trucks-per-railcar, a fixed fuel price for the long term, intermodal traffic growth held constant at 2025 levels and the amount of rail miles that would be offsetting the truck shipment reductions.

The Project's benefits result from eliminating truck traffic in favor of rail transportation. Four key rail traffic flows are expected. The conversion of a significant amount of intermodal traffic to the Port of Saint John which otherwise would utilize regional roads. That traffic will utilize the CPKC rail line through Maine and connect with EMR for over 100 miles. Additionally, two different flows of forest product traffic will increase the amount carloads on the railroad – traffic across the Mattawamkeag Subdivision and the Millinocket Subdivision. Each is discreetly modeled in the BCA. Lastly, an "Other" category is modeled and that includes finished automobiles, petrochemicals, fertilizer, grain, metals and minerals. In total, over the 30-year analysis period, 7.9 million truckloads are estimated to go on rail versus truck, saving more than 2.7 billion truck miles on regional roads. Those fewer truck miles, offset by the additional rail miles, saves fuel, emissions, lives and injuries, roadway maintenance and congestion, railway maintenance and train travel time.

Should the Project not be completed, all goods will be hauled by trucks. Lost carloads are converted to truck ton-miles to calculate Project benefits. Benefits from truck elimination fall into three main categories:

Fuel Savings: One of the largest categories is reduced fuel consumption due to more traffic moving by rail which is far more fuel efficient than truck. The NPV at seven percent for this savings is more than \$1.38 billion over the 30-year life of the analysis. This has an added benefit of reducing dependence on foreign oil and assisting our nation's goal of energy independence as the shift to a green economy prevails. The diesel fuel price per gallon used in the analysis was based on the current (August 2023) Energy Information Administration amount and held constant throughout the life of the Project, despite normal forecast expectations of annual rising fuel prices, to keep estimates conservative.

Highway Maintenance and Congestion: Improving the line avoids more than 2.7 billion highway miles driven over the 30-year life of the analysis, a savings of almost \$1.07 billion in congestion and highway maintenance costs on a discounted basis.

Harmful Emissions: Rail transportation is not only far more fuel efficient than trucking, but railroads also emit fewer harmful emissions. When combined with the reduction in overall truck traffic, there are more than \$900 million in savings from reduced NOx, volatile organic compounds, particulate matter, and sulfur dioxide. In addition, there is an estimated \$170 million in CO₂ savings as well, discounted at the advised 3 percent.

Additional savings also accrue to rail including reductions in on-going maintenance over the 30year period and travel time savings across the railroad. Those savings are \$66.2 million and \$3.6 million, respectively, on a discounted basis. Absent the Project, the railroad will not be able to maintain the Class 3 track conditions and associated speeds, making it less efficient and less reliable. That will reduce customer rail shipments in favor of regional roads.