



# THE CENTRAL MASSACHUSETTS, INTEGRATED LOGISTICS CENTER & INTERMODAL TERMINAL

***CONSOLIDATING INTERMODAL SERVICES  
IN THE NEW ENGLAND MARKETPLACE***



INTEGRATED RAIL GROUP



## Table of Contents

The Central Massachusetts Integrated Logistics Center & Intermodal Terminal . . . . .	3
A Consolidation of Service That is a Perfect Fit With Current Operations . . . . .	3
The Massachusetts Central Railroad . . . . .	4
MCER Expanded Support . . . . .	4
The Terminal . . . . .	5
Terminal Operations . . . . .	5
Terminal Layout . . . . .	6
Highway Access . . . . .	7
Rail Operations . . . . .	8
Competition . . . . .	10
Customer Base . . . . .	11
Long-term Marketing Strategy - Integrated Logistics Center . . . . .	12
Marketing Enhancements . . . . .	12
Conclusion . . . . .	13
Contacts . . . . .	13
Appendix - Massachusetts Central Map . . . . .	14
Photos of Current Massachusetts Central Intermodal Terminal . . . . .	14
Photos of CSX Boston Line in Palmer . . . . .	15

## The Central Massachusetts Integrated Logistics Center & Intermodal Terminal

The Massachusetts Central Railroad (MCER) is proposing to operate and manage an intermodal terminal off the MCER right-of-way within the central Massachusetts towns of Palmer and Ware. This new terminal would be part of a Central Massachusetts Integrated Logistic Center (CMILC), marketed to both new customers and existing intermodal users who are looking for a new location offering reduced terminal times, dedicated service, and competitive rates. Nearly 95% of all over-the-road trucks operating in New England pass within 60 miles of Palmer, making it the ideal location for inbound/outbound distribution. By partnering with CSXI to provide connecting services, the MCER would be able to offer shippers a direct route to Chicago and the entire North American rail system.

The CMILC would benefit CSXI by providing a ready-made, consolidated, independently operated terminal in a strategic New England location with nearby third party services such as warehousing and manufacturing. The terminal would also enable CSXI to expand its market penetration in the New England region, an area with an extensive consumer and distribution base.

## A Consolidation of Service That is a Perfect Fit With Current Operations

Beyond market growth, using the CMILC facility would allow CSXI the opportunity to consolidate its existing Massachusetts intermodal facilities. Today CSXI operates three New England terminal facilities: West Springfield, Worcester, and Boston. This footprint was a product of the Conrail purchase. However, since that time, intermodal volumes have grown at rapid paces, and the existing facilities have limited potential for expansion.

The new proposed CMILC will allow CSXI to combine two of the exiting facilities, West Springfield and Worcester. By creating a turnkey operation, CSXI will no longer be limited to 3900ft train lengths in New England. Instead, two trains can be created to maximize full length: one train on the I-90 freight corridor to Chicago and a second train on the I-95 freight corridor to Florida – an ideal scenario that meets CSX's One-Plan service design.

Other advantages to a single terminal operation include a combined labor force, consolidated logistics services, decreased transit times, and centralized drayage services. The bottom-line benefit of the CMILC is the ability to increase efficiency, reduce cost, and create a better return on investment.



## The Massachusetts Central Railroad

The Massachusetts Central Railroad (MCER) is an independent, locally-owned shortline based out of Palmer, MA. In 1976 MCER was formed by a group of local businessmen who recognized the need for freight service in Central Massachusetts along an under-utilized 25-mile stretch of former Conrail-owned track (see Appendix fig.1, page 14).

In 1985 MCER established the first "inland port" facility in Palmer, Massachusetts, for the handling of international intermodal container traffic. The present Palmer facility (Fig.2, Appendix page 14) has the ability to receive and ship trailers and containers west through Chicago, north via Montreal and south via Albany. The terminal is a U.S. Customs Bonded facility allowing containers and trailers to be received from throughout the world without having to go through customs until unloading in Palmer. MCER maintains a state-of-the-art networked computer system and can EDI to any railroad or shipper with the same capabilities.

Other facilities along the MCER include two bulk terminal yards that can provide 165 accessible car spots for transloading from railcars. A truck scale and rail weigh-in-motion scale provide for the complete needs of customers.



*MassCentral train at Palmer*

## MCER Expanded Support

The MCER is also a private-public partnership rail line which has been able to expand service capabilities with assistance from the State of Massachusetts. This partnership allows the MCER to tap state funds for new projects and rehabilitation and to help gain municipal support for job creation and overall business development within the Central Massachusetts region.



*IRG can provide trailer, containers, chassis, and railcars*

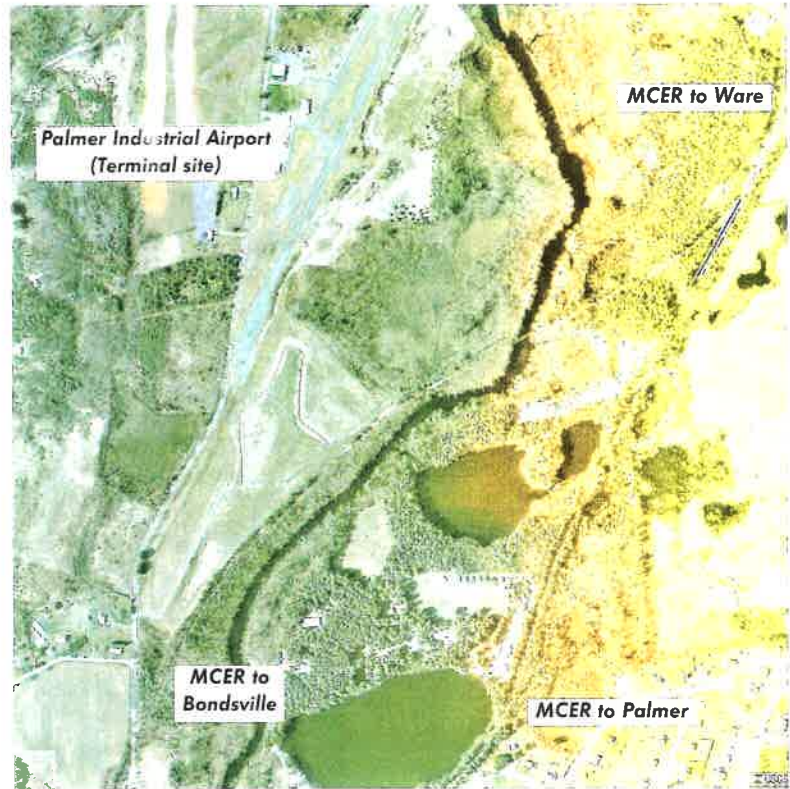
By partnering with Integrated Rail Group, MCER has the ability to provide railcars and intermodal assets to help CSXI with present and future service demands. By combining IRG's fleet of over 5,000 owned or controlled railcars as well as access to containers, trailers and chassis, MCER can be an integral part of CSXI's daily operations. Additionally, being a part of the IRG network gives MCER direct access to additional capital funding for expansion, new equipment, or other terminal projects with CSX.

## The Terminal

The MCER has access to two terminal facility locations: 1) the existing terminal and 2) the proposed terminal at the Palmer Industrial Airport.

The existing MCER intermodal terminal is located along Route 20 in downtown Palmer. Between 1985 and 2000 this facility operated as a major double-stack terminal; more recently, it has been used to handle traffic to/from Northern New England on a much smaller scale. The terminal has the staff, machinery, and clearance to handle both TOFC and double-stack COFC service and can handle approximately 5000-8000 lifts annually. By today's standards this is a small facility, but one ideal for dedicated service for companies such as UPS or Pacer.

The new Central Massachusetts Integrated Logistics Center would be located at the former Palmer Municipal Airport. This facility, now owned by the Town of Palmer and zoned industrial, is adjacent to the MCER track. The total facility and adjacent land encompasses 150 acres suitable for intermodal and distribution services.



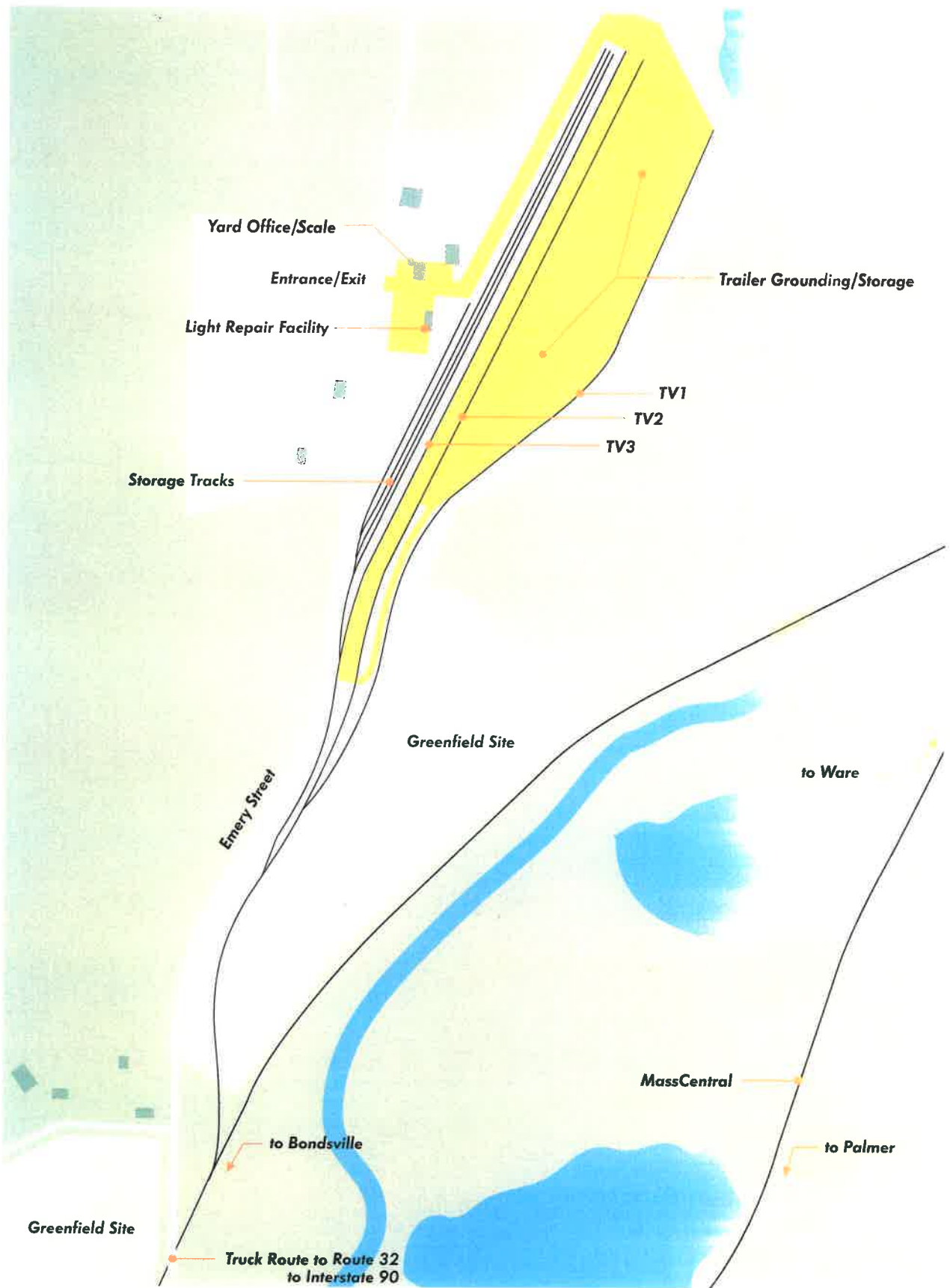
## Terminal Operations

All non-union CMILC Intermodal Facility personnel would be hired, controlled, and managed by the MCER. The terminal, managed by the personnel listed below, will operate during the following hours:

Hours of Operation	Mon-Fri	Sat-Sun
Gate Hours	0400-2000	0400-1600
Yard Operations	0400-1600	0400-1600

Terminal personnel will include (first and second shift): terminal manager, lift operators (yard jockey), gate inspectors, and gate clerk.

## Terminal Layout



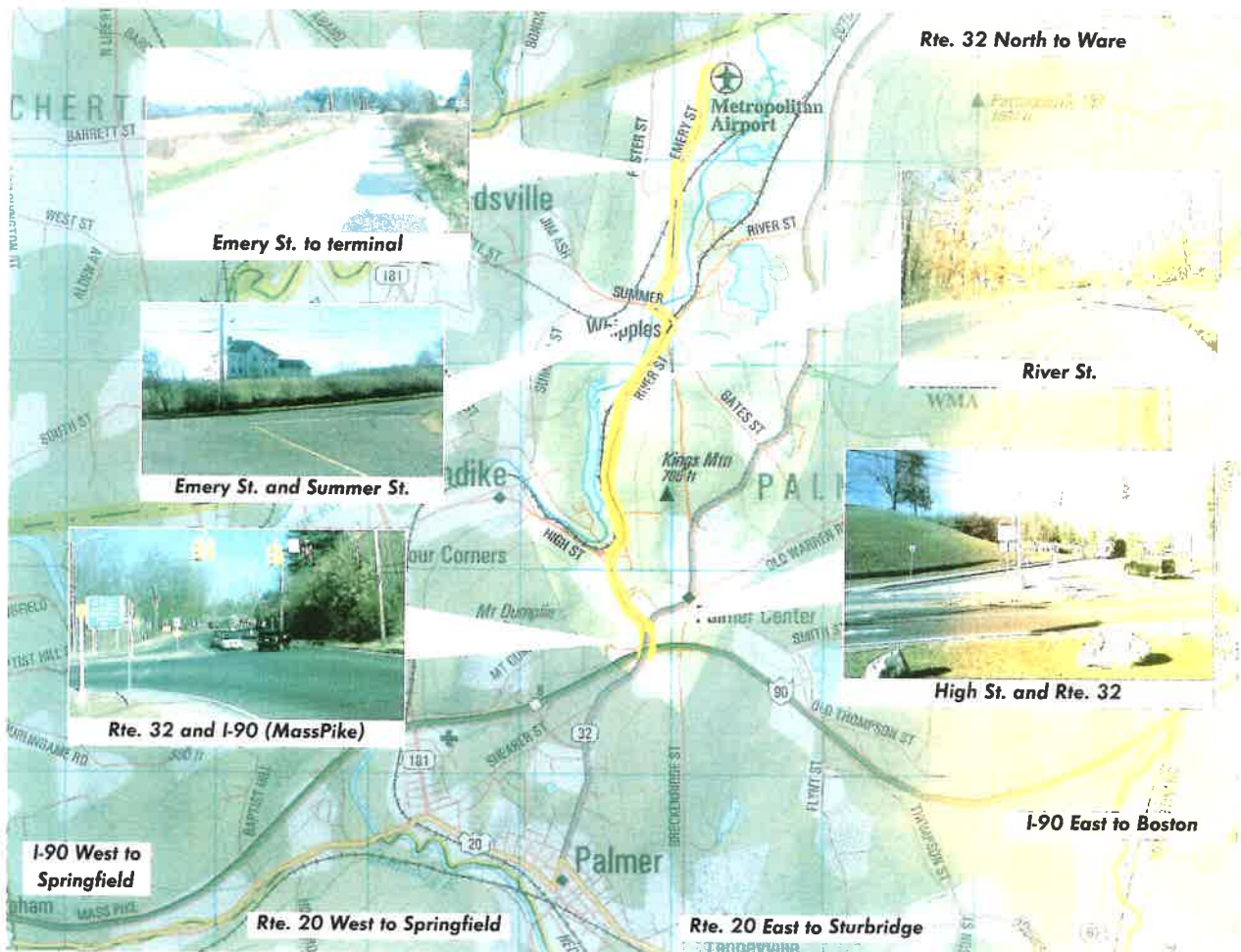
## Highway Access

The CMILC Intermodal Terminal is located only four miles from Interstate I-90 (the Massachusetts Turnpike). I-90 east provides access to Worcester, Boston, Providence, RI, southern Maine, and New Hampshire. I-90 westbound provides a quick route to western Massachusetts and Albany as well as a connection to Interstate 91 in Springfield. I-91 allows access to north-central Massachusetts as well as Vermont, Connecticut and routes to New York via I-95 and I-84. Interstate speeds limits are mostly 65mph throughout the region.

Access to I-90 from the terminal is via town and state owned roads. Once out of the terminal, trucks would proceed south on Emery Street, turning east onto Summer Street. They would then turn south on River Street, east on High Street then south on Route 32. All highway routes are cleared for truck traffic with some light residential areas with speed limits from 30 to 50 mph. Full services (fuel, food, lodging, repairs) are available in town or at the I-90/Route 32 interchange.

### Distances from the CMILC to:

Destination	Distance	Route
Boston	77 miles	-
Hartford	45 miles	I-91
New York, NY	173 miles	I-91 to I-95
Newark, NJ	171 miles	I-91 to I-95
Albany, NY	97 miles	-
Brattleboro, VT	71 miles	I-91
Portland, ME	175 miles	I-95
New Haven, CT	82 miles	I-91
Providence, RI	67 miles	Rte. 146
Worcester, MA	35 miles	-
Springfield, MA	18 miles	-
Nashua, NH	79 miles	I-495
I-395	33 miles	-
I-495	50 miles	-
I-95	80 miles	I-91
I-91	17 miles	-
I-84	18 miles	-
I-90	4 miles	-



## Rail Operations

CSXI will operate trains between the CSX intermodal terminals located in Chicago, Illinois, and Jacksonville, Florida, and the MCER/CSX interchange in Palmer, Massachusetts (see Fig. 3, Appendix page 15). The MCER will inbound and outbound trains to and from the Central Massachusetts Logistics Center and Intermodal Terminal and Palmer.

The MCER proposes the following operational schedules:

Origin: PALMER, MA Destination: CHICAGO, IL										
DOM	Cutoff	PALMER	Q117	Tue 0615	Wed 0615	Thu 0615	Fri 0615	Sat 0615	Sun 0615	Mon 0615
TOFC	Available	CHICAGO (BP)	Q117	Sun 2130	Mon 2130	Tue 2130	Wed 2130	Thu 2130	Fri 2130	Sat 2130
DOM	Cutoff	PALMER	Q117	Sun 2130	Mon 2130	Tue 2130	Wed 2130	Thu 2130	Fri 2130	Sat 2130
COFC	Available	CHICAGO (BP)	Q117	Tue 0615	Wed 0615	Thu 0615	Fri 0615	Sat 0615	Sun 0615	Mon 0615

Origin: PALMER, MA Destination: EAST ST LOUIS, IL										
DOM	Cutoff	PALMER	Q115	Mon 2130	Tue 2130	Wed 2130	Thu 2130	Fri 2130	Sat 1400	
TOFC	Available	CHICAGO (BP)	Q115	Thu 0950	Fri 0950	Sat 0950	Sun 0950	Mon 0950	Wed 0950	

Origin: PALMER, MA Destination: JACKSONVILLE, FL										
DOM	Cutoff	PALMER	Q113	Mon 2130	Tue 2130	Wed 2130	Thu 2130	Fri 2359		
TOFC	Available	JACKSONVILLE	Q173	Thu 0900	Fri 0900	Sat 0900	Sun 0900	Mon 0900		
DOM	Cutoff	PALMER	Q113	Mon 2130	Tue 2130	Wed 2130	Thu 2130	Fri 2359		
COFC	Available	JACKSONVILLE	Q173	Thu 0900	Fri 0900	Sat 0900	Sun 0900	Mon 0900		

Origin: EAST ST LOUIS, IL Destination: PALMER, MA										
DOM	Cutoff	EAST ST LOUIS	Q108	Mon 1800	Tue 1800	Wed 1800	Thu 1800	Fri 1800	Sat 1800	
TOFC	Available	PALMER	Q116	Wed 1600	Thu 1600	Fri 1600	Sun 0800	Mon 0800	Wed 1600	
DOM	Cutoff	EAST ST LOUIS	Q108	Mon 1800	Tue 1800	Wed 1800	Thu 1800	Fri 1800	Sat 1800	
COFC	Available	PALMER	Q116	Wed 1600	Thu 1600	Fri 1600	Sun 0800	Mon 0800	Wed 1600	



**Origin: CHICAGO, IL Destination: PALMER, MA**

DOM	Cutoff	CHICAGO (BP)	Q114	Sun 1900	Mon 1900	Tue 1900	Wed 1900	Thu 1900	Fri 1900	Sat 1900
TOFC	Available	SPRINGFIELD	Q114	Tue 0600	Wed 0600	Thu 0600	Fri 0600	Sat 0600	Sun 0600	Mon 0600
DOM	Cutoff	CHICAGO (BP)	Q114	Sun 1900	Mon 1900	Tue 1900	Wed 1900	Thu 1900	Fri 1900	Sat 1900
COFC	Available	SPRINGFIELD	Q114	Tue 0600	Wed 0600	Thu 0600	Fri 0600	Sat 0600	Sun 0600	Mon 0600

**Origin: JACKSONVILLE, FL Destination: PALMER, MA**

DOM	Cutoff	JACKSONVILLE	Q172	Tue 0800	Wed 0800	Thu 0800	Fri 0800	Sat 0800
TOFC	Available	PALMER	Q174	Thu 1145	Fri 1145	Sat 1145	Sun 1145	Mon 1145
DOM	Cutoff	JACKSONVILLE	Q172	Tue 0800	Wed 0800	Thu 0800	Fri 0800	Sat 0800
COFC	Available	PALMER	Q174	Thu 1145	Fri 1145	Sat 1145	Sun 1145	Mon 1145

The combined terminal service would allow trains Q113, Q115, Q117, and Q140 to eliminate stops at both Worcester and West Springfield. Trains that now originate or terminate in Worcester can reduce transit times by as much as 2 hours. The new operation would allow for increased train length, reduced terminal switching, and reduced down line block swapping and block creating. This would allow terminals to make a single block to Palmer rather than a two block move to Springfield and Worcester.



## The Competition

The main competition to CSXI and the CMILC intermodal facility would be the Norfolk Southern terminals in Albany, New York; Ayer, Massachusetts; and New Jersey-based terminals. The Ayer, Massachusetts, terminal is located about 30 miles northwest of Boston and about 25 miles north of Worcester. Operated by Pan Am Railways and marketed by NS, this terminal only runs service to/from Chicago. At present schedules CSXI offers a 24-hour service advantage in comparison to the Albany and Ayer facilities and an approximately 8 hour advantage when compared to the New Jersey based facilities.

Origin: CHICAGO 47TH, IL GATE HOURS: M-SU 24HRS									
206 CPRS	Cutoff	ALBANY, NY	M 2000	Tu 2000	W 2000	Th 2000	F 2000	Sa 2000	Su 2000
	Available	ALBANY, NY	Th 0500	F 0500	Sa 0500	Su 0500	M 0500	Tu 0500	W 0500
206 CPRS	Cutoff	AYER, MA	M 2000	Tu 2000	W 2000	Th 2000	F 2000	Sa 2000	Su 2000
	Available	AYER, MA	Th 0800	F 0800	Sa 0800	M 0800	M 0800	Tu 0800	W 0800

Origin: CHICAGO 63RD, IL GATE HOURS: M-SU 24HRS									
24Z COFC	Cutoff	CROXTON, NJ	M 2200	Tu 2200	W 2200	Th 2200	F 2200	Sa 2200	Su 2200
	Available	CROXTON, NJ	W 1100	Th 1100	F 1100	Sa 1100	Su 1100	M 1100	Tu 1100
20K TOFC	Cutoff	CROXTON, NJ	M 0200	Tu 0200	W 0200	Th 0200	F 0200	Sa 0200	Su 0200
	Available	CROXTON, NJ	Tu 1030	W 1030	Th 1030	F 1030	Sa 1030	Su 1030	M 1030



The NS/PanAm intermodal in Ayer, MA

## Customer Base

The primary customer base for the new terminal will be LTL carriers and distribution centers. Palmer and the surrounding area have a large concentration of both of these businesses. A secondary market would include local manufacturing customers. As with current traffic flow, intermodal shipments will consist primarily of inbound traffic originating from Chicago or the West Coast. These shipments will then be redistributed to locations throughout the Northeast Corridor.

Some examples of existing Regional Truck Terminals and DC facilities:

City/State	Miles	Customer Name	Type
Putnam, CT		Staples	Distribution
Plainfield, CT		Lowes	Distribution
Enfield, CT		ABF	LTL
Windsor, CT		Walgreens	Distribution
Windsor, CT		UPS	LTL
Warwick, RI	71	UPS	LTL
Providence, RI	67	ABF	LTL
Worcester, MA	35	ABF	LTL
Springfield, MA	18	USPS	BMC
Springfield, MA	18	Yellow	LTL
Westfield, MA	24	Lowes	Distribution
Westfield, MA	24	USPS	Equipment WHS
Lewiston, ME	198	Walmart	Distribution
Brattleboro, VT	71	C&S Wholesale	Distribution

The population base within a 150 mile radius of Palmer is nearly 20 million. This includes the entire states of Massachusetts, Connecticut, and Rhode Island as well as the southern regions of Maine, Vermont and New Hampshire and regions within New York and New Jersey. Nearly 95% of all over-the-road trucks operating in New England pass within 60 miles of Palmer, making it the ideal location for inbound/outbound distribution.

## Long Term Marketing Strategy - Integrated Logistics Center

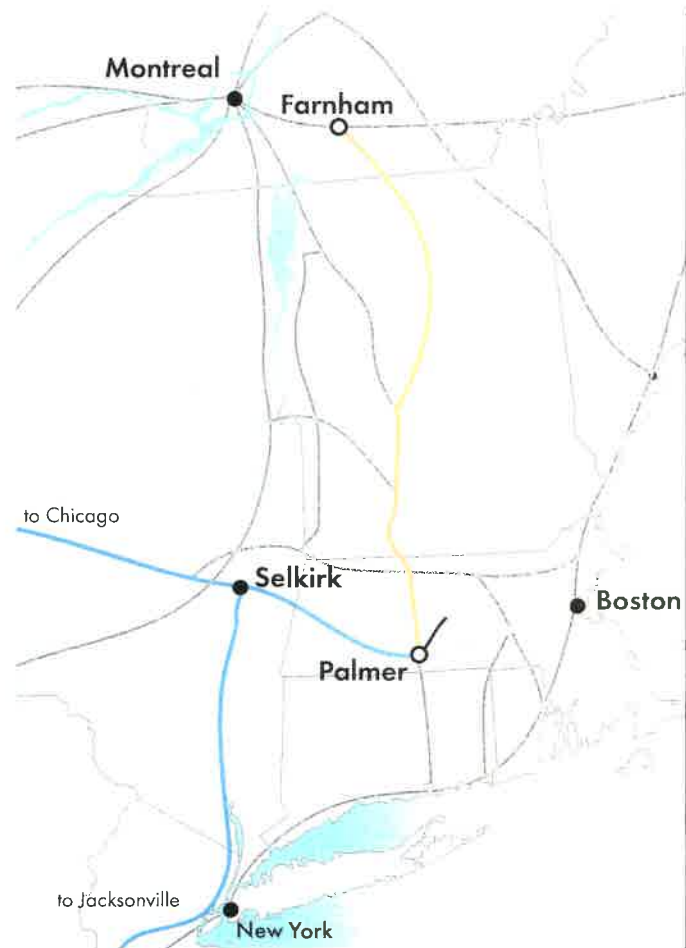
The MCER will assist in the marketing of the CMILC intermodal terminal by promoting the “all-inclusive” facility to distribution centers, manufacturing companies, and regional truck terminals. Marketing strategy will focus on the facility’s ability to provide a one-day truck trip (450 miles or less) to the end user. Promotional materials will include the use of direct mailers, periodicals, and seminar-type functions. MCER and the CMILC, along with CSXI, will work closely as a private-public partnership to help promote the intermodal terminal and integrated logistics center as a way to increase reliability, efficiency and reduce over-all transportation costs for customers. In addition, the public side of the partnership can assist companies with local and state development programs and monies to encourage new business growth within this facility.

With enough available land adjacent to the MCER mainline available for new construction, additional marketing strategies with our joint private-public group will help to foster economic development with companies that either need or offer logistical supply chain services. This will help to increase jobs and taxes to local communities in a designated planned industrial center, thus creating a stronger marketing alliance to reach a broader audience through multiple channels.

## Marketing Enhancements

The MCER also gives CSXI the ability to penetrate the Montreal/Eastern Canada market utilizing existing train starts and service. Approximately 800,000 trucks cross the northern New York, Vermont, and New Hampshire borders on an annual basis, delivering throughout the Northeast as well as the I-95 Corridor. Of this volume, it is estimated that 40 trucks per day can be converted to rail intermodal shipments.

The MCER is connected to the Montreal Maine and Atlantic Railroad via the New England Central Railroad. This route combination allows the MCER/CSXI to penetrate the Montreal market via the MMA’s intermodal terminal located in Farnham, Quebec. By running local service via this route, MCER can generate intermodal traffic for local Northeast points as well as I-95 corridor traffic for CSXI. At the CMILC, Montreal traffic would be swung over to existing CSXI trains for furtherance to points south.



## Conclusion

CSXI's participation in the Central Mass Integrated Logistic Center will provide new revenue opportunities and reduced operating costs by allowing CSXI consolidated entry into the New England area. CSX Transportation currently owns a vacant facility in Westborough, Massachusetts, that could be slated for intermodal terminal construction. However, it is our feeling that, while this facility would give CSXI the ability to relocate the existing CSXI and Transflow facilities located in Beacon Park (Boston), it would not be able to handle the consolidation of all terminals in New England.

CSXI corporate investment in the Central Massachusetts Integrated Logistics Center facility will be minimal, but the potential for new revenue would be very real. In comparison, construction of a new CSXI-owned intermodal terminal will be capital intensive and return on this investment may take years. It will demand the outlay of significant corporate capital to permit, construct and operate the new terminal. Local and state permitting procedures may also result in costly delays and potential public scrutiny of the project. The CMILC intermodal terminal option eliminates much of the risk associated with expanding in a market.

The Central Massachusetts Integrated Logistics Center is a unique opportunity for CSXI to expand market presence in New England and Canada, increase revenue, and reduce transit times and operating costs. In New England there are limited options for the development of new intermodal terminals. With room for on-site expansion, near-site development for distribution, complete logistics services, and major highway access all in one location, the CMILC will answer the needs of CSXI now and in the future.

I thank you for your consideration of this proposal.

## Contacts

## Appendix

Fig. 1. Map of the Massachusetts Central Railroad

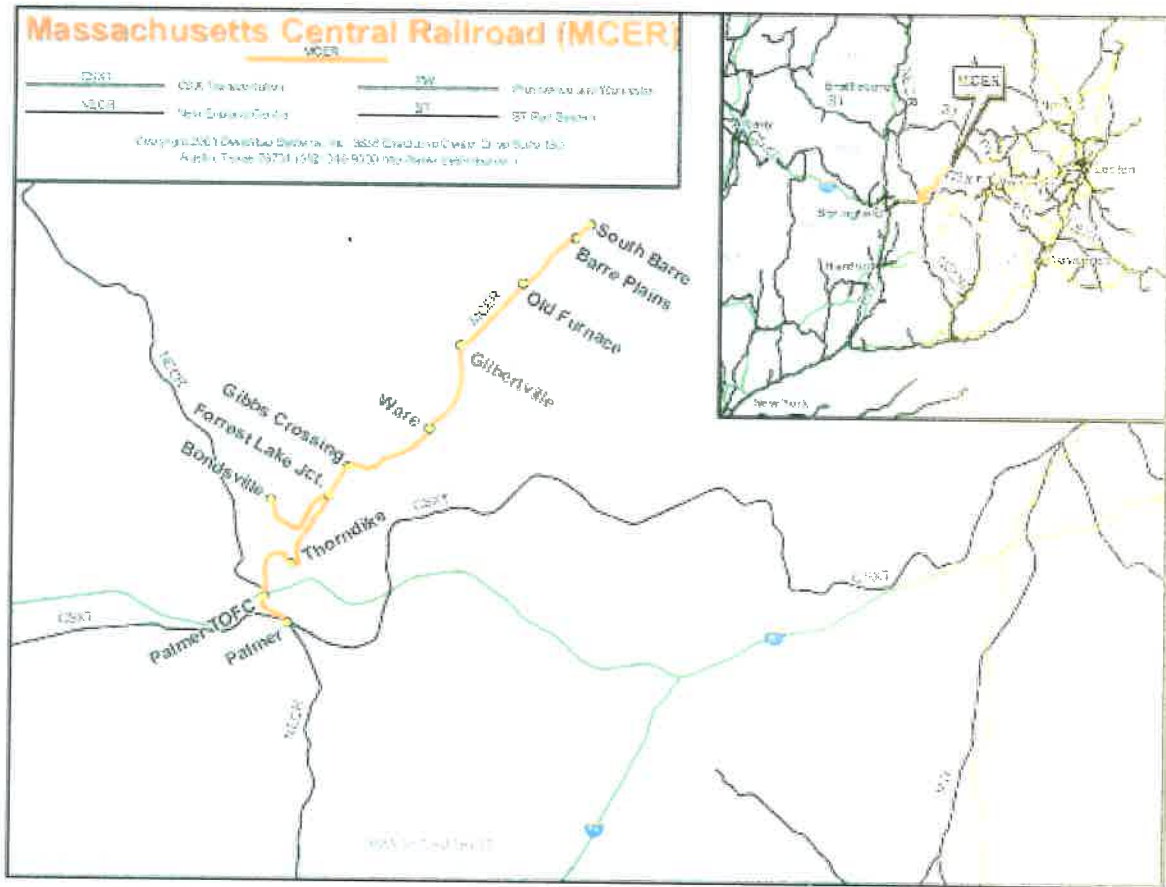


Fig. 2. Current Massachusetts Central Railroad Intermodal Terminal



Fig. 3. CSX Boston Line East/West in Palmer, Massachusetts

