

Railroads and the Marcellus Shale Gas Play



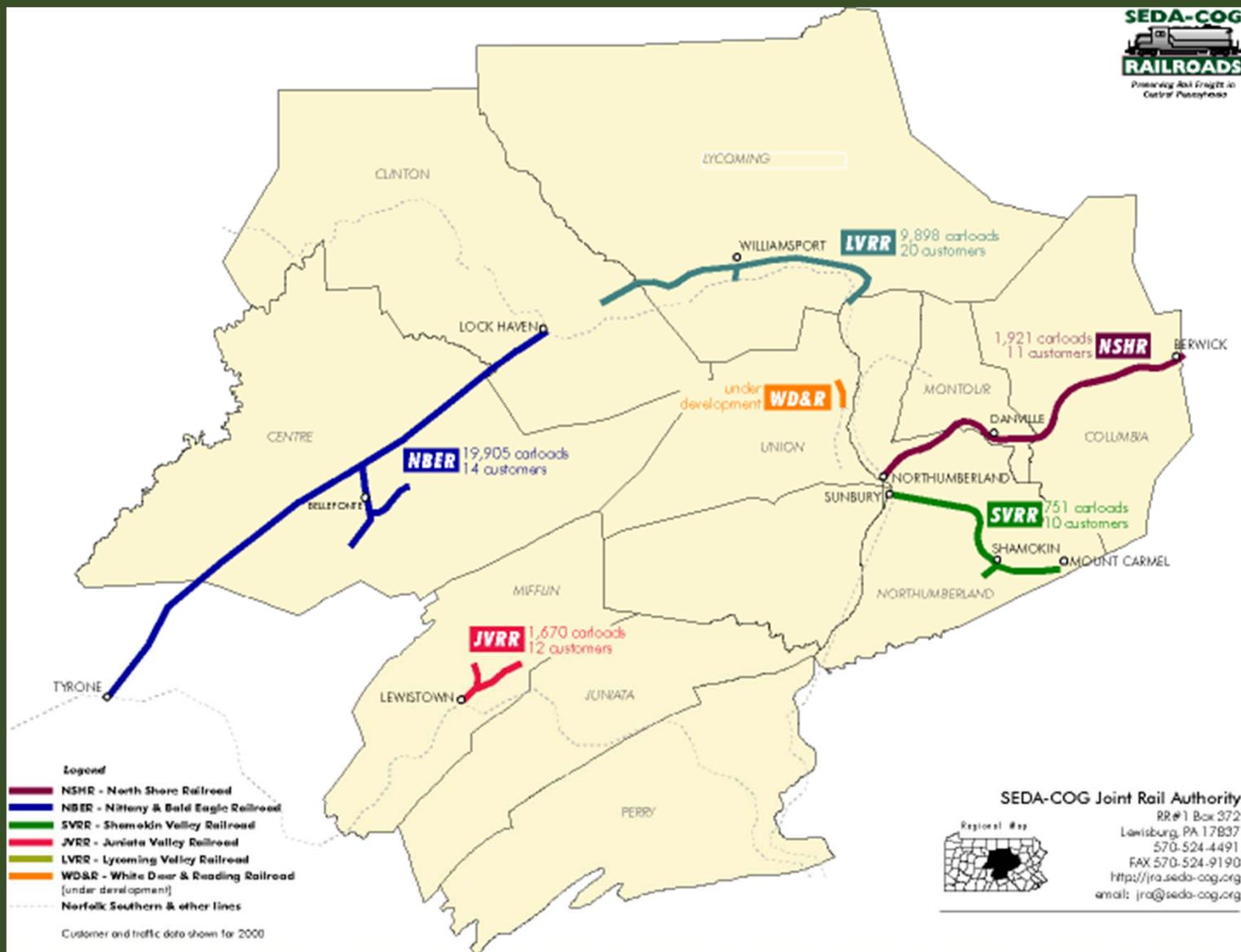
*SEDA-COG Joint Rail Authority
Lewisburg, PA*

The SEDA-COG Joint Rail Authority

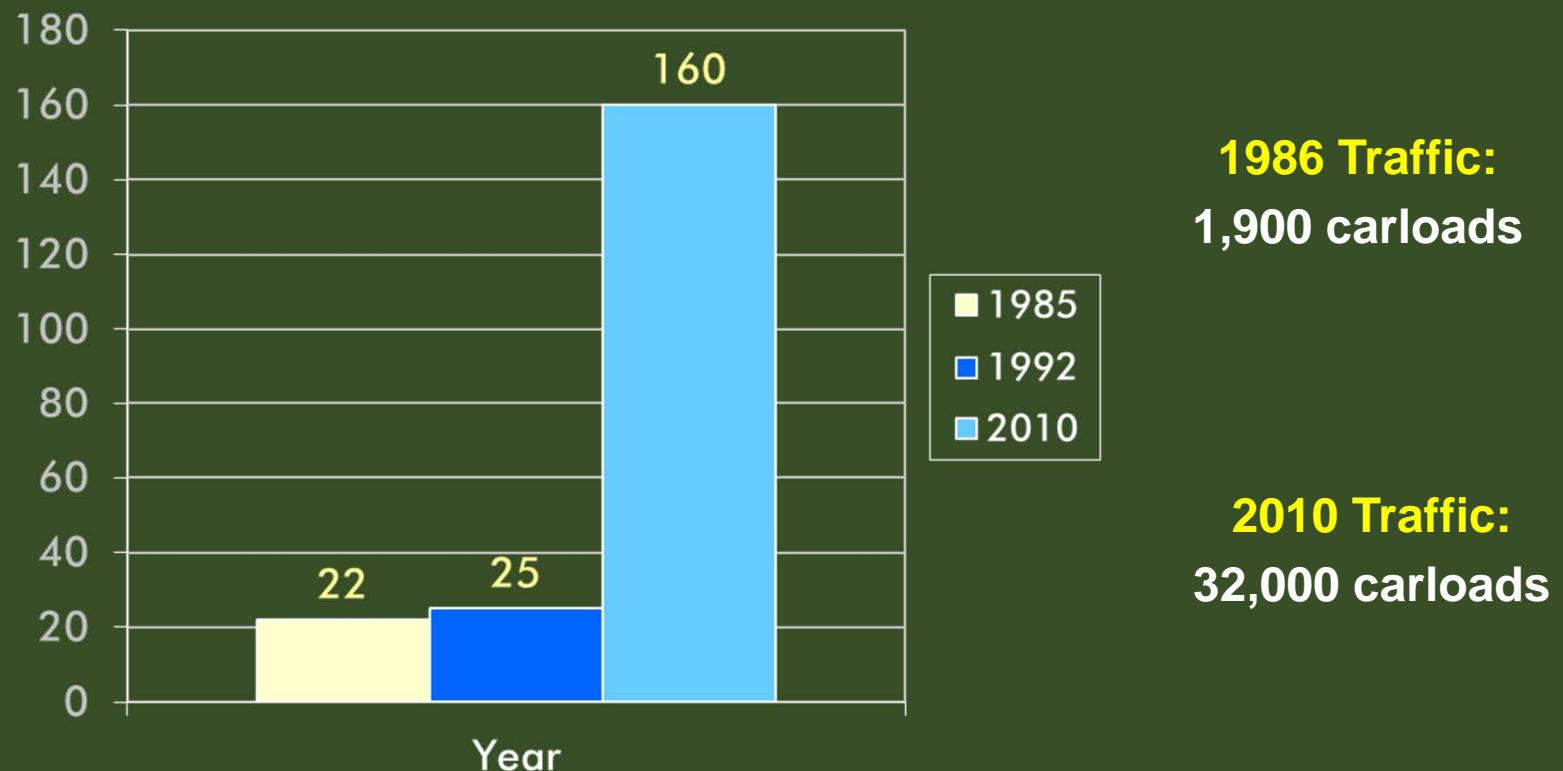


- Since 1983 classic public-private arrangement consisting of 8 counties
- JRA owns the railroad and related property
- Contract private railroad operations:
 - Lycoming Valley
 - North Shore
 - Juniata Valley
 - Nittany & Bald Eagle
 - Shamokin Valley

JRA System



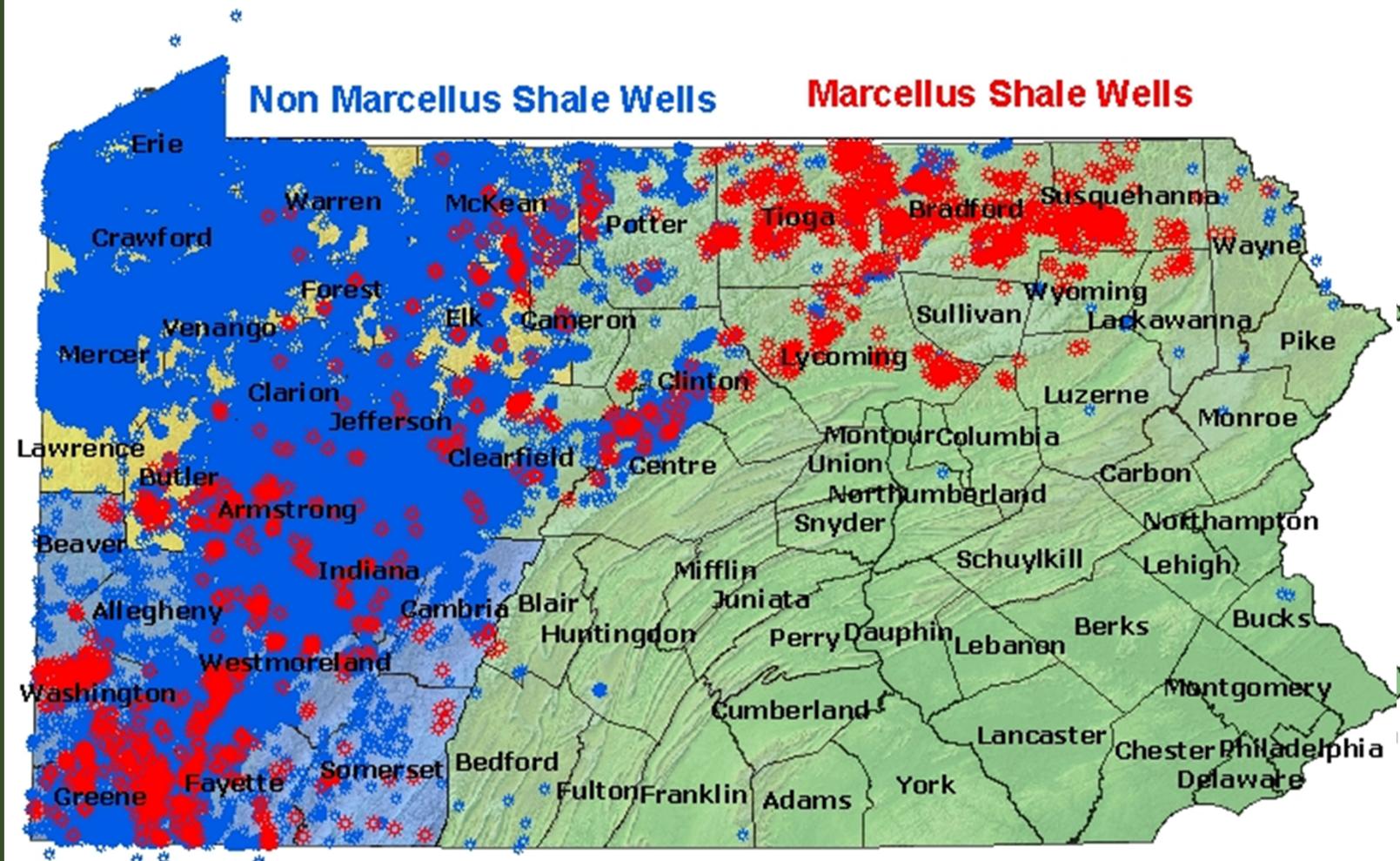
Traffic Density 1985-1992-2010



Total Jobs Retained 1985 = 3,000

Current Employment of Our 100 Customers = 9,500+

Marcellus Shale Drilling in PA

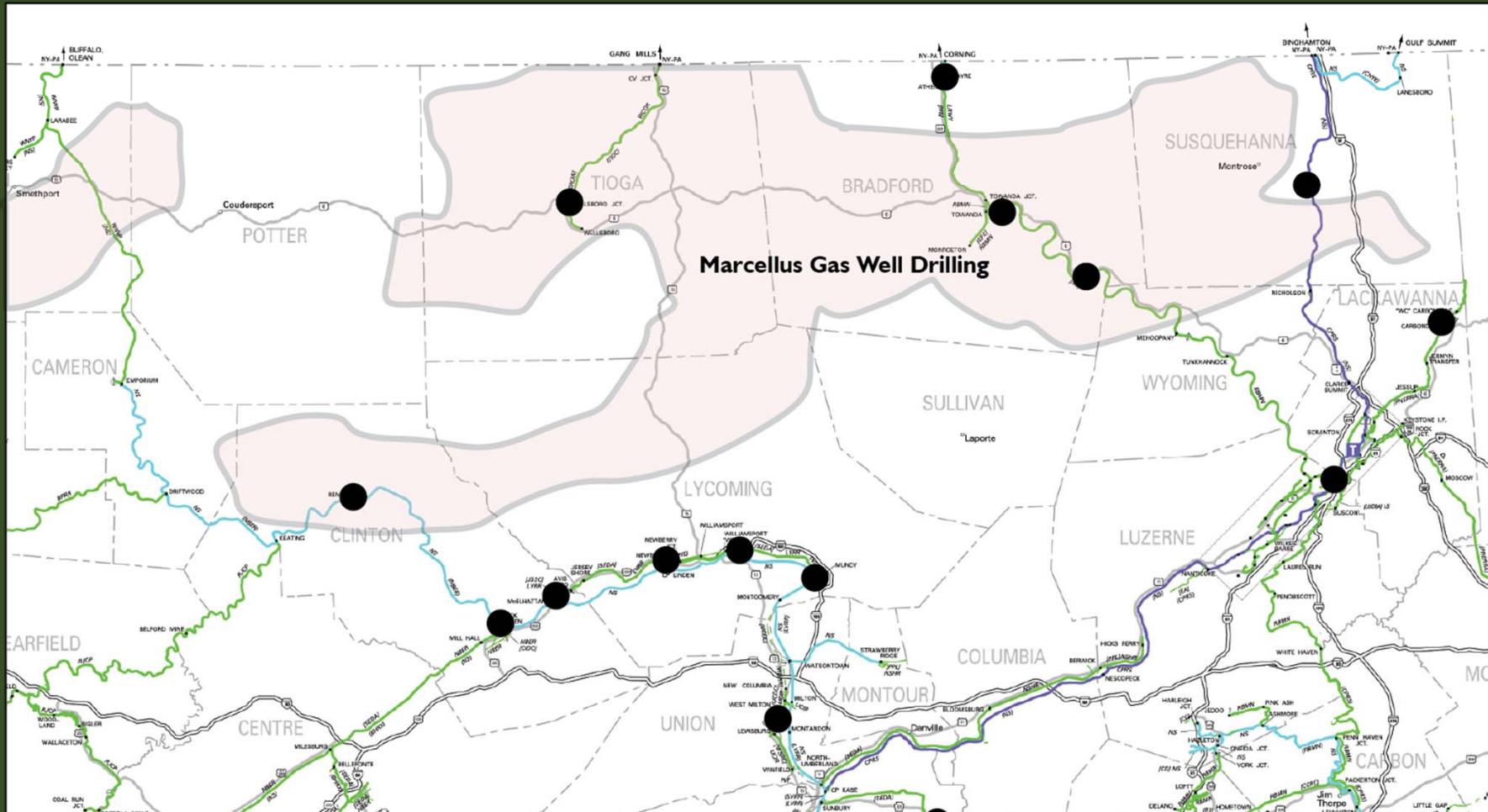


Rail Role in Marcellus Development



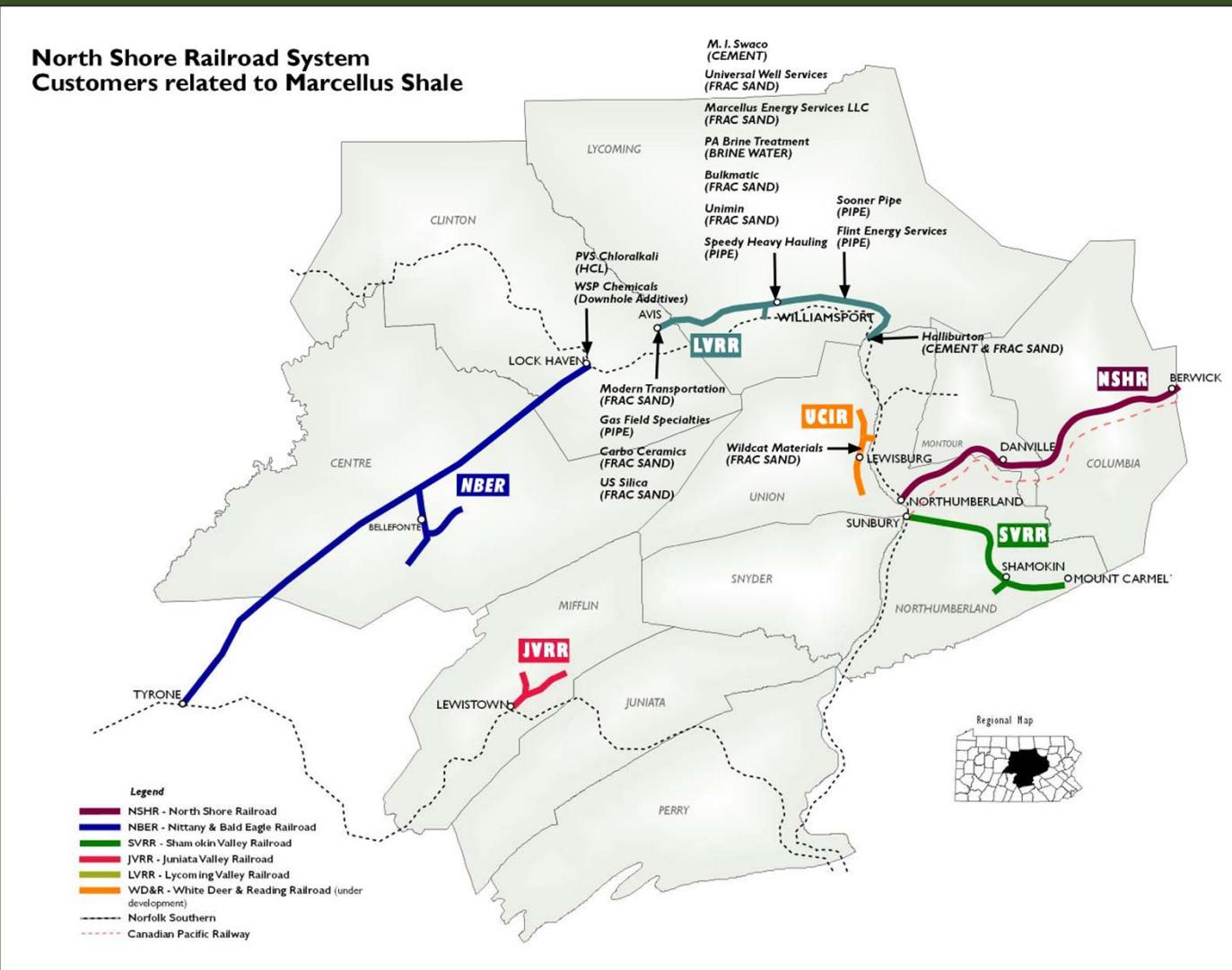
- Commodities handled by rail:
 - Frac Sand
 - “Regular” frac sand
 - Coated resinous sands
 - Ceramic sands
 - Pipe (downhole and gathering)
 - Hydrochloric acid
 - Brine water
 - Cements and related materials
 - Miscellaneous
 - Mats
 - Equipment

Marcellus Shale Drilling and Rail Facility Locations

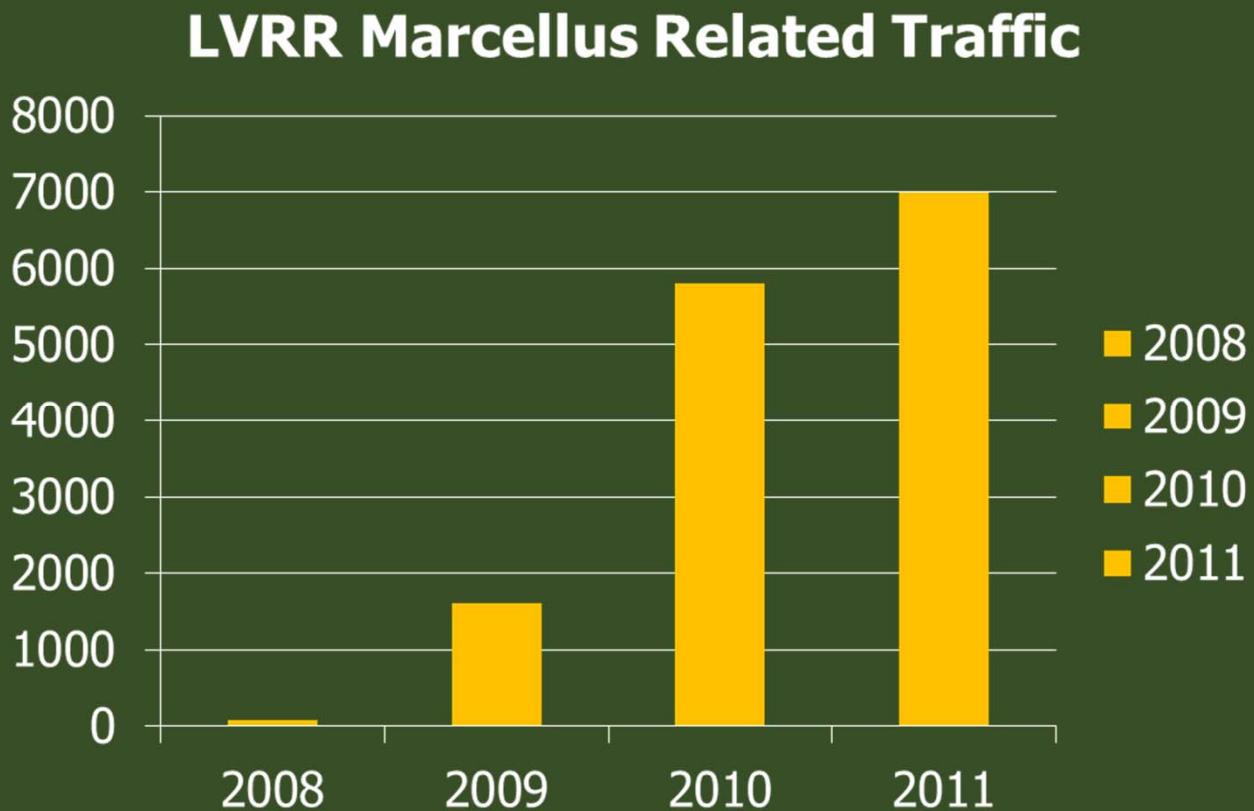


● Locations having railroad facilities handling Marcellus traffic

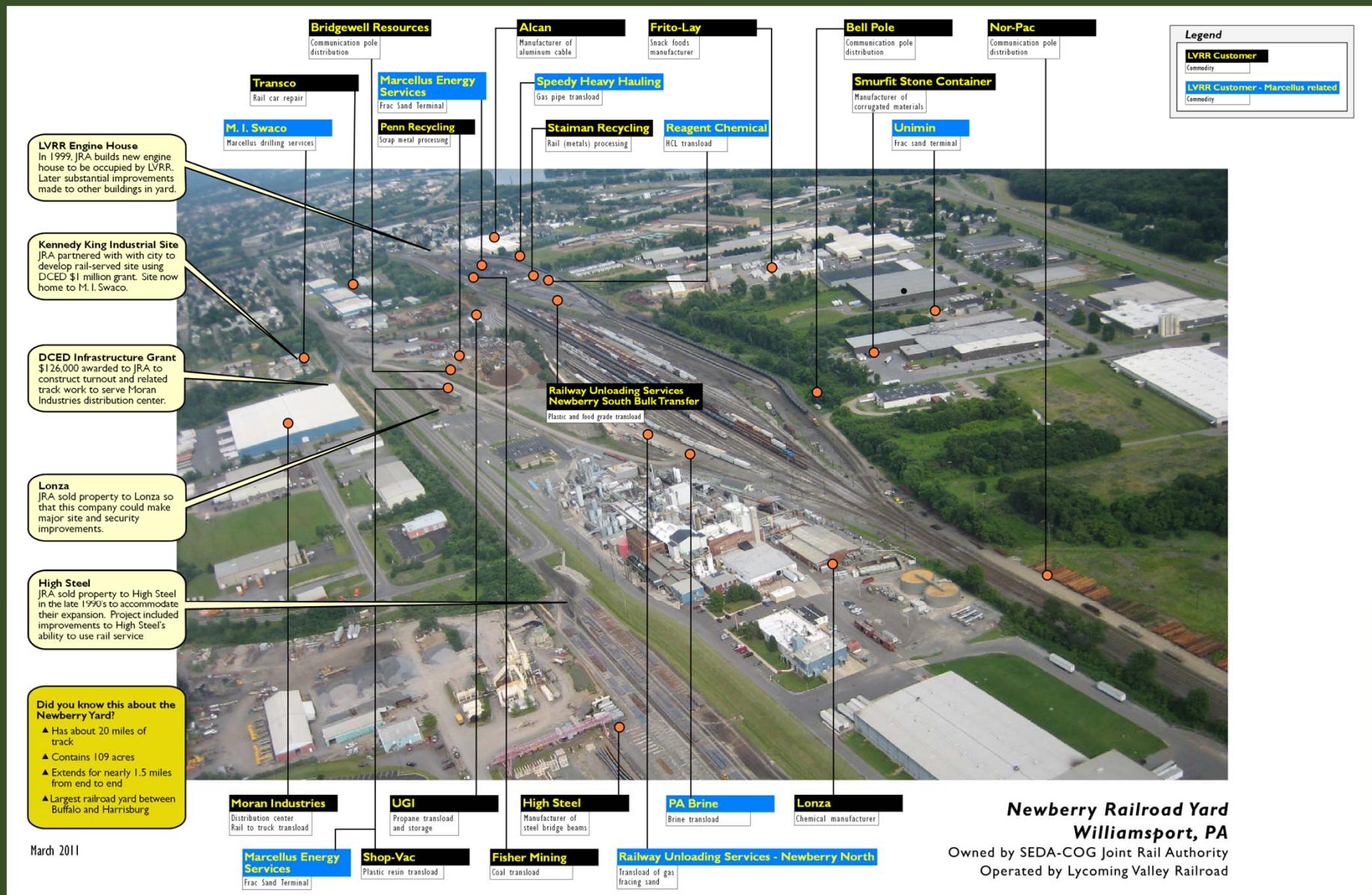
Marcellus Shale IMPACTS



Lycoming Valley Railroad Gas Related Traffic



LVRR-Newberry Yard



LVRR-Newberry Bulk Transfer Facility



LVRR - Williamsport M. I. Swaco



"Mud Plant"

LVRR -Williamsport HCL Transload



*Reagent Chemical – Hydrochloric
Transload under construction*

Running out of room!



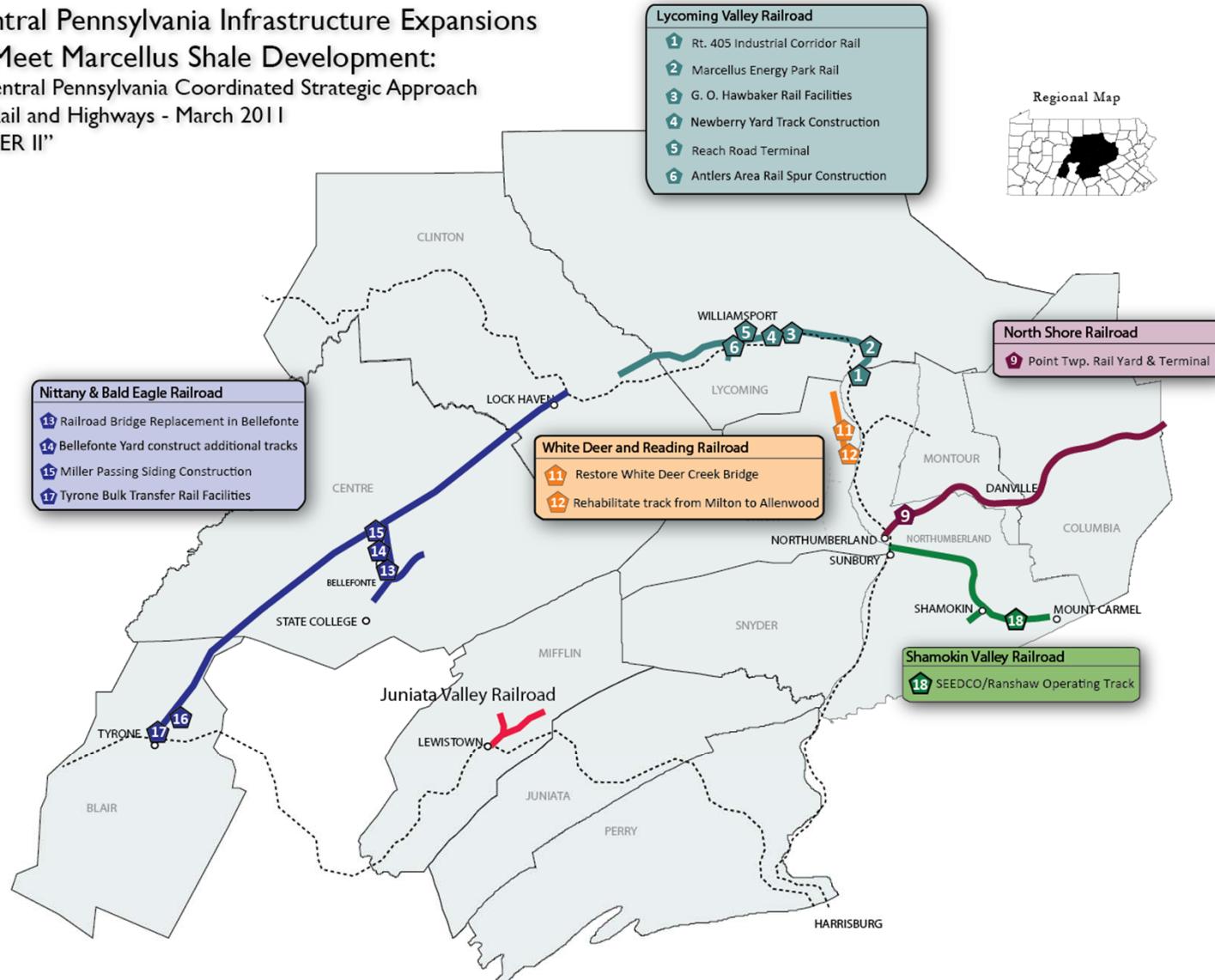
- We are working with the IPC in Williamsport and Mifflin County IDC to identify new sites along the various rail lines.
- Virtually all of Newberry Yard not necessary for operations has been occupied.
- JRA actively looking for additional land adjacent to existing railroad properties

JRA as Proactive Economic Partner



- TIGER II projects
 - \$10M U. S. DOT grant
 - + \$3.85M PennDOT grant
 - + \$2.2M Private Partners and North Shore RR
 - = 16 Project in Six Counties Totaling \$15.6M

Central Pennsylvania Infrastructure Expansions to Meet Marcellus Shale Development: A Central Pennsylvania Coordinated Strategic Approach for Rail and Highways - March 2011 "TIGER II"





Questions?