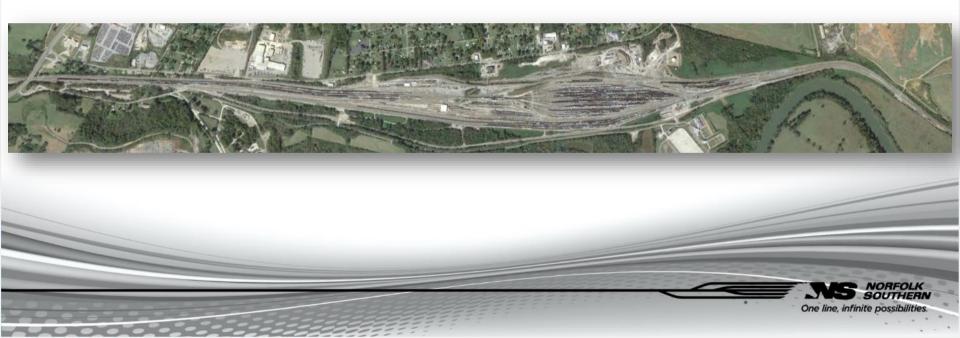


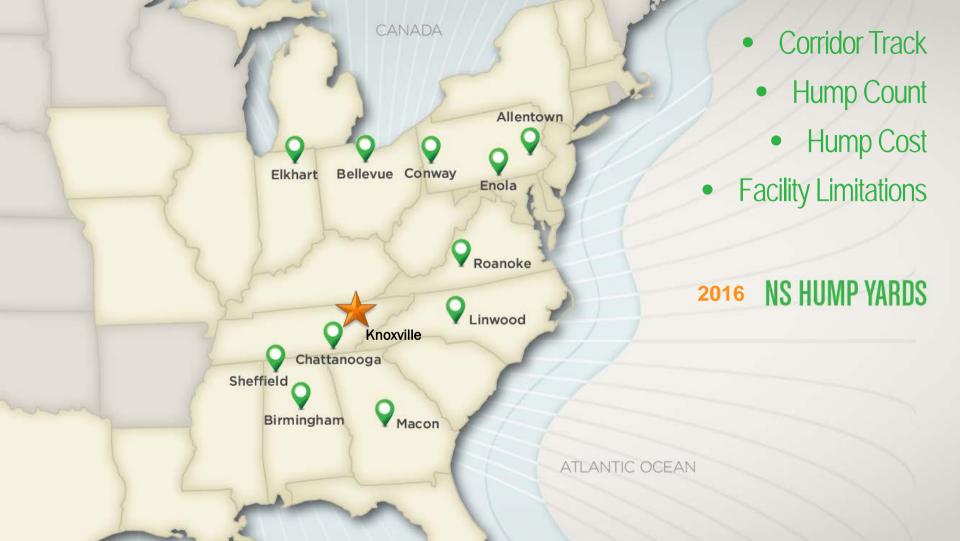
ENVIRONMENTAL OPERATIONS

JOHN SEVIER YARD

Knoxville, Tennessee Built in 1925 by Southern Railway America's First Fully Automated Hump Classification Yard – 1951 35 trains per day







JOHN SEVIER YARD IDLED MAY 1, 2016

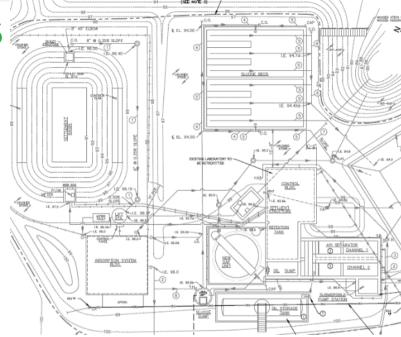
- All Terminal operations ceased
- No originating/terminating trains, locals, or yard crews
- All Mechanical operations ceased
- T&E crew change location only (mainline traffic)
- Equipment Storage
- Train meets
- <u>Environmental Commitments</u>





ENVIRONMENTAL COMMITMENTS

- Tennessee Individual NPDES Permit
- Tennessee Underground Injection Permit
- Knox County Air Board Permit
- SWPPP, SPCC, & FRP
- Compliance Tasks and WWTP's





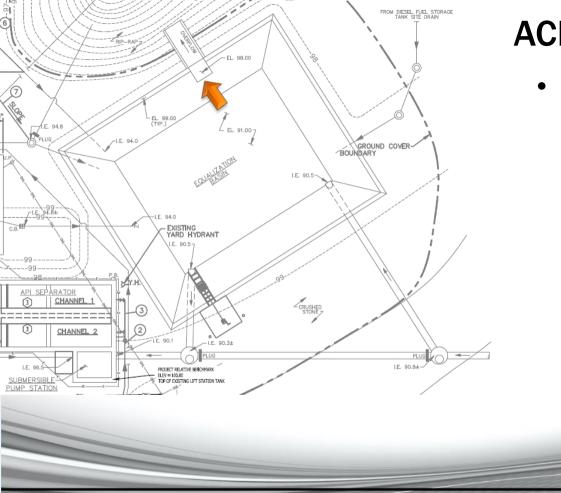


		Capacity	_		Sludge Waste				
Item	Container #	[gallons]	Contents	Activity	Generation 2	Price	Unit Price		Justification/Notes
1				Rental on two frac tanks for two months		\$2,000	LS		waste management
2	1		Used Oil	Purge, clean, and disconnect tank	3%	\$23	LS		Requirement of 40 CFR 112.2 Permanently Closed
3	3	998,690		Purge, clean, and disconnect tank	0.3%	\$4,494	LS		Requirement of 40 CFR 112.2 Permanently Closed
4	4		Lube Oil	Purge, clean, and disconnect tank	3%	\$451	LS		Requirement of 40 CFR 112.2 Permanently Closed
5	5		Used Oil	Purge, clean, and disconnect tank	3%	\$0	LS		Staying in Service
6	10	4,000	Used Oil	Purge, clean, and disconnect tank	3%	\$180	LS		Requirement of 40 CFR 112.2 Permanently Closed
7	13		Oily Water	Remain in Service to Dewater Jack Pit	0%	\$0			Staying in Service
8	16	500	Suspension Bearing Oil	Purge, clean, and disconnect tank	3%	\$23	LS		Requirement of 40 CFR 112.2 Permanently Closed
9	17	300	Gasoline	Purge, clean, and disconnect tank	3%	\$14	LS		Requirement of 40 CFR 112.2 Permanently Closed
10	18		Diesel	Purge, clean, and disconnect tank	3%	\$0	LS		Staying in Service
11	19	500	Winter Fuel Additive	Purge, clean, and disconnect tank	3%	\$23	LS		Requirement of 40 CFR 112.2 Permanently Closed
12	20		Diesel	Purge, clean, and disconnect tank	3%	\$0	LS		Staying in Service
13	21	2,500	Used Oil	Purge, clean, and disconnect tank	3%	\$113	LS		Requirement of 40 CFR 112.2 Permanently Closed
14	22 (generator)	415		Purge, clean, and disconnect tank	3%	\$0	LS		Staying in Service
15	24	300	Switch Plate Lubricant	Purge, clean, and disconnect tank	3%	\$0	LS		Returned to Vendor
16	25	2,000	Used Oil	Purge, clean, and disconnect tank	3%	\$90	LS		Requirement of 40 CFR 112.2 Permanently Closed
17			Used Oil	Drain and Purge Used Oil Heater System (8 Units)			LS		Staying in Service
	Car Jack Reservoir		Hydraulic Oil	Purge, clean, and disconnect tank	100%	\$98	LS		Requirement of 40 CFR 112.2 Permanently Closed
19	DSA 1		Flammable Waste Liquid	characterize, profile, and dispose of Haz Waste	100%	\$0	LS		Staying in Service
20	DSA 2	550 (10x55)	Used oil, hydraulic oil	characterize, profile, and dispose of non-Haz Waste	100%	\$0	Load &Trans		Tranferred to other facilities
21	DSA 3	385 (7x55)	ATF, used oil, mineral spirits	characterize, profile, and dispose of non-Haz Waste	100%	\$0	Load &Trans		Tranferred to other facilities
22	DSA 4	495 (9x55)	Bearing oil, used oil	characterize, profile, and dispose of non-Haz Waste	100%	\$0	Load &Trans		Tranferred to other facilities
23	DSA 5	220 (4x55)	Compressor oil, used oil	characterize, profile, and dispose of non-Haz Waste	100%	\$0	Load &Trans		Tranferred to other facilities
24	DSA 6	220 (4x55)	Journal, hydraulic, engine oil	characterize, profile, and dispose of non-Haz Waste	100%	\$0	Load &Trans		Tranferred to other facilities
25	DSA 7	110 (2x55)	Bearing and hydraulic oil	characterize, profile, and dispose of non-Haz Waste	100%	\$0	Load &Trans		Tranferred to other facilities
26	Other Drums	275 (5x55)	Various Oils	characterize, profile, and dispose of non-Haz Waste	100%	\$0	Load &Trans		Tranferred to other facilities
27	Totes	4,620 (14x33		characterize, profile, and dispose of non-Haz Waste	100%	\$0	Load &Trans		Tranferred to other facilities
28	Parts Washer	60 (2x30)	Solvent	Disposal through service provider	100%	\$420	Load &Trans		RCRA waste determination requirements
29			Diesel	Drain and Purge Fuel Lines from Tank to Pump Station			LS		Required to shut down WWTP and bypass water
30			Diesel, Lube Oil, and Water	Drain and Purge All Fluids from Fuel Rack Equipment			LS		Required to shut down WWTP and bypass water
31			Diesel	Drain and Purge Fuel Transfer Pump Station			LS		Required to shut down WWTP and bypass water
32			Sand and Petroluem	Clean Fuel Rack Containment and Equipment			LS		Required to shut down WWTP and bypass water
33			Oil, Water, and grit	Clean Fuel Rack OWS and jet upstream IWW piping			LS		Required to shut down WWTP and bypass water
34			Oil, Water, and grit	Clean Roundhouse Tracks and Pits			LS		Required to shut down WWTP and bypass water
35			Oil, Water, and grit	Jet and Clean IWW line from Roundhouse to EQ Basin			LS		Required to shut down WWTP and bypass water
36			Oil, Water, and grit	Jet and Clean IWW line from outdoor inspection pit to EQ Ba	sin		LS		Required to shut down WWTP and bypass water
37			Oil, Water, and grit	Jet and clean IWW line from Fuel rack to EQ Basin			LS		Required to shut down WWTP and bypass water
38			Oil, Water, and grit	Clean EQ Basin			LS		Required to shut down WWTP and bypass water
39			Oil, Water, and grit	Clean first lift station and both API Channels			LS		Required to shut down WWTP and bypass water
40			Oil, Water, and grit	Drain and Purge WWTP piping			LS		Required to shut down WWTP and bypass water
41			Oil, Water, and grit	Drain and Clean DAF, sludge pit, and sludge piping			LS		Required to shut down WWTP and bypass water
42			Settled Solids	Drain and Clean Polishing Pond			LS		Required to shut down WWTP and bypass water
43			Petroleum Solid Waste	Clean and Empty Drying Beds		\$2,000	LS	\$4,000	Required to shut down WWTP and bypass water
44	Frac tanks (2)		Oily Water	disposal of oily after WWTP is cleaned	60%	\$5,280			Required to shut down WWTP and bypass water
45	Frac tanks (2)	44,000	Sludge	Disposal of sludge after WWTP is cleanded	10%	\$1,980			Required to shut down WWTP and bypass water
46				Transportation of Oily Water and sludge for disposal					Required to shut down WWTP and bypass water
47				Misc debris cleanup and disposal		\$1,000	LS		Solid waste management BMP
48				Demolish Riverside dam and diversion structure			LS		Required to shut down WWTP and bypass water
49				Excavate impacted sediments at Riverside dam			LS		Required to shut down WWTP and bypass water
50				drain and clean Riverside WWTP					Required to shut down WWTP and bypass water
				Install baffle pipe in EQ Basin				\$106,000	
52				Clean Concrete Pit next to Ramp				\$4,000	
				Pipe Trench cleaning				\$3,000	
51				puncture concrete floor and fill dirt/gravel in Riverside WWT	P			\$10,000	WWTP retirement
		200							

INITIAL ESTIMATE: \$296,736

- Assumptions
- Items Not Addressed
- Disclaimers
- Budget

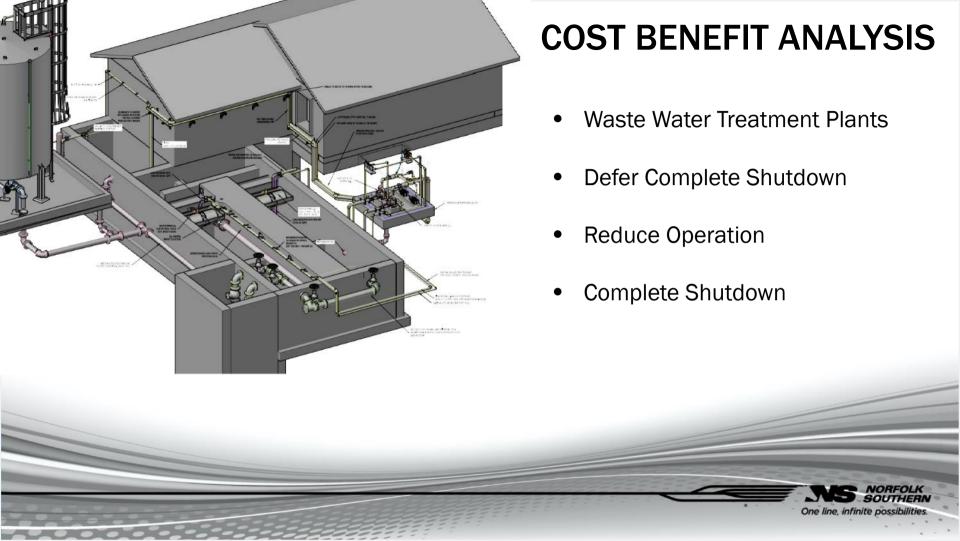




ACHILLES' HEEL

• Shutdown vs Abandonment



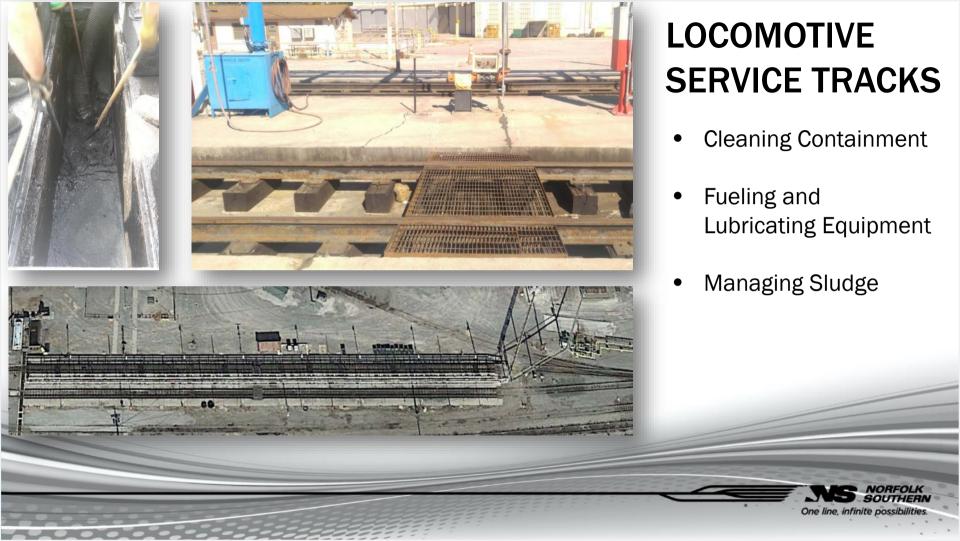




CONVEYANCE SYSTEM

- Generations of Alterations
- Impacted Sediment
- Pipe Cleaning Challenges
- Budget Affects





STORAGE TANK AND PIPING RETIREMENT

- Permanently Close Storage Tanks
- Managing Residue Materials
- Sequencing Work
- Regulatory Submittals
- Plan Updates





BENEFICIAL REUSE AND ASSET TRANSFER





- Useable parts and components
- Consumable products
- Equipment



EVERYTHING ELSE







- Off spec materials
- Residue containers
- Outdated & non-compliant parts and equipment
- Universal waste
- Hazardous Waste

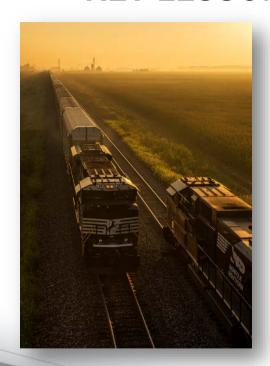


THE UNKNOWN





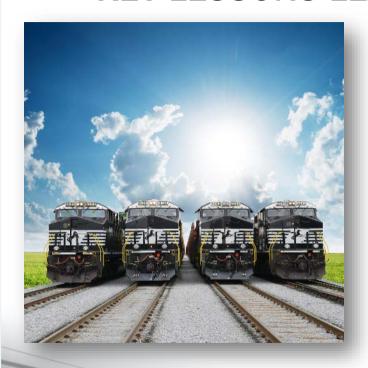
KEY LESSONS LEARNED AND TAKEAWAYS



- Budget as soon as possible and seek special funding
- Seek input from those with detailed facility knowledge
- Gather information from as many sources as possible
- Abandon what you can



KEY LESSONS LEARNED AND TAKEAWAYS



- Proactive manage Environmental Compliance Team
- Utilize internal departments to manage material
- Build in plenty of contingency time, money, and quantities

