



May 17, 2024

The Honorable Amit Bose, Administrator
Federal Railroad Administration
1200 New Jersey Avenue, SE
Washington, DC 20590

SUBJECT: Support for *Driving Maine's Rural Economy through Freight Rail Efficiency* CRISI 2024 Grant

Dear Administrator Bose,

I am writing in support of the Maine Department of Transportation's *Driving Maine's Rural Economy through Freight Rail Efficiency Project* application for a 2024 Consolidated Rail Infrastructure and Safety Improvements (CRISI) Grant.

The application outlines MaineDOT's important plans to administer needed improvements to the Eastern Maine Railway (EMR) line through Maine via the Project. Rail improvements consist of replacing worn-out and obsolete rail, crossties, and turnouts with modern and reliable rail infrastructure along 130 miles of rail line. The Project will:

1. Replace rail infrastructure in northern and eastern Maine, improving reliability.
2. Connect the state's forest products industry to export markets
3. Support the creation of new businesses and family-wage jobs in rural communities
4. Reduce transportation costs and greenhouse gas emissions
5. Improve Maine and U.S. competitiveness in the global marketplace

The Project also includes the rehabilitation of the existing dormant track to serve the One North industrial park in the rural Town of Millinocket. Our Katahdin's One North campus, a repurposed brownfield site, requires rail service to source input materials and connect tenants to national and global markets.

Highland Maine LLC ("**HML**") is developing a sustainably sourced wood product that would be used to replace metallurgical coal in foundry applications ("**Sustainable Carbon**"). HML has demonstrated the feasibility and successful application of Sustainable Carbon in preliminary tests with potential end-users. The next step is building out a facility for commercial scale production. HML expects to enter into offtake agreements in 2024 for the supply of Sustainable Carbon from Maine. Over time, we anticipate aggregate demand for Sustainable Carbon produced from multiple sites in Maine could reach 1,000,000 metric tons of production per year. For comparison, HML's affiliates currently supply wood pellets to the European energy markets, with an expected 2024 production of over 700,000 metric tons from affiliate owned facilities in Arkansas.

Highland Maine LLC
c/o Highland Solutions Management, 5601 Industrial Drive North, Pine Bluff, AR 71602



Upon successful conclusion of the anticipated Sustainable Carbon offtake contracts, HML expects to construct three facilities within the State of Maine to satisfy the full ramp up to 1,000,000 metric tons per year, the first of which is in Millinocket. The rail system is important to HML for two reasons – first to bring sawmill residuals into the facilities from a wide radius in the State in a sustainable manner, and all facilities will ship finished product to Searsport for bulk shipment to Europe.

We respectfully request FRA give favorable consideration to the *Driving Maine's Rural Economy through Freight Rail Efficiency Project*.

Sincerely,

Thomas Reilley
Chief Executive Officer
Highland Maine LLC