

ALABAMA PORT AUTHORITY

NEW HORIZONS PROJECT



**ALABAMA
PORT AUTHORITY**

**FY 2025-2026 CONSOLIDATED RAIL INFRASTRUCTURE AND
SAFETY IMPROVEMENTS (CRISI) PROGRAM • JUNE 25, 2026**

CONTENTS

1.0 COVER PAGE	1
2.0 PROJECT SUMMARY	2
3.0 GRANT FUNDS, SOURCES, AND USES OF PROJECT FUNDS	3
4.0 APPLICANT ELIGIBILITY CRITERIA	3
5.0 PROJECT ELIGIBILITY CRITERIA	3
6.0 DETAILED PROJECT DESCRIPTION	4
Project Background	4
<i>Broader Context of the Project.....</i>	<i>5</i>
Challenges the Project Aims to Address	6
<i>Challenge 1. Foster Existing and Future Economic Competitiveness.....</i>	<i>6</i>
<i>Challenge 2. Increase Resilience Against Severe Weather Events</i>	<i>8</i>
<i>Challenge 3. Increase Worker Safety and Operational Efficiency.....</i>	<i>8</i>
Current and Proposed Railroad Operations	9
Expected Outcomes.....	9
Expected Users and Beneficiaries	9
<i>Local Businesses/Freight Users</i>	<i>9</i>
Statement of Work.....	10
<i>Task 1. Project Administration and Management</i>	<i>10</i>
<i>Task 2. Final Design.....</i>	<i>11</i>
<i>Task 3. Construction</i>	<i>11</i>
<i>Environmental Information</i>	<i>11</i>
<i>Safety.....</i>	<i>12</i>
<i>Grade Crossing Information.....</i>	<i>12</i>
<i>PTC Information</i>	<i>12</i>
<i>Trespassing Injury and Fatality Prevention and Reduction</i>	<i>12</i>
<i>Locomotive Information</i>	<i>12</i>
<i>Community Emergency Plans.....</i>	<i>12</i>
Project Support	12
7.0 PROJECT LOCATION	13
8.0 EVALUATION AND SELECTION CRITERIA.....	13
Project Readiness.....	13
<i>NEPA Status AND Environmental Permitting</i>	<i>14</i>
<i>Timeline of Agreements</i>	<i>14</i>
<i>Lifecycle Stages</i>	<i>14</i>
<i>Project Partner Coordination and Commitments.....</i>	<i>14</i>
<i>Capacity to Implement and Deliver</i>	<i>15</i>

Technical Merit.....	15
<i>Evaluation Criteria.....</i>	<i>15</i>
Project Benefits.....	17
<i>Evaluation Criteria.....</i>	<i>17</i>
<i>Efficiencies from Improved Integration with Other Modes.....</i>	<i>19</i>
<i>Ability to Meet Existing or Anticipated Demand</i>	<i>20</i>
Selection Preferences	20
<i>Selection Criteria</i>	<i>20</i>
<i>Final Design and Construction Lifecycle Stages.....</i>	<i>20</i>
<i>Proposed Federal Share</i>	<i>21</i>
<i>Net Project Benefits</i>	<i>21</i>
<i>Enhancing the Passenger Rail Experience for Families</i>	<i>22</i>
<i>Trespass Prevention</i>	<i>22</i>
<i>Improvement of Safety and Condition of Existing Infrastructure.....</i>	<i>22</i>
<i>Support Supply Chains aND Economic Opportunity.....</i>	<i>22</i>
<i>Innovation and Advanced Technologies</i>	<i>23</i>
9.0 PROJECT IMPLEMENTATION AND MANAGEMENT.....	23
Project Contracting	23
Contract Oversight and Control	23
Change-Order Management	23
Risk Management	23
Progress Reporting	24
Experience with Similar Projects and Staff Readiness.....	24

APPENDICES¹

Appendix A Letters of Support

Appendix B Benefit Cost Analysis

Appendix C BCA Technical Memorandum

Appendix D Letter of Funding Commitment

¹ Supporting Documents can be found at <https://alports.com/docs/CRISI-grant-2026>

1.0 COVER PAGE

Project Title	APA New Horizons Project
Applicant Name	Alabama Port Authority 250 N. Water Street, Mobile, AL 36602 Megan Amacker Megan.Amacker@alports.com (251) 441-7261
Amount of CRISI Program funding requested under this NOFO	\$37,155,011 (80%)
Total amount of proposed non-Federal cost share	\$9,288,753 (20%)
Amount of non-CRISI Federal funding (if applicable) including pending awards	N/A
Total Project Cost	\$46,443,764
Source(s) of proposed non-Federal cost share and other Federal funding (provide funding amount by source)	APA's General Fund
Was a Federal grant application previously submitted for this Project? If yes – please specify the program; funding year; and project title of the previous application. Identify any differences between the applications.	Yes FY 2023-2024 CRISI APA'S New Horizons Project Scope previously included raising tracks and rail traffic control study. Those items are not included in this application.
City(ies) where the project is located	City of Mobile, Alabama
County(ies) where the project is located	Mobile County
State(s) where the project is located	Alabama
Congressional district(s) where the project is located	Congressional District 2
What percent of funding is spent in a Rural Area?	0%
Amount (if any) of funding request eligible for set-aside funds	Amount. \$0 Set-Aside(s). N/A
Lifecycle Stage(s) proposed to be funded by this NOFO	X Final Design X Construction
Current Lifecycle Stage and its anticipated completion date	X Project Development Anticipated Date of Completion: 2028
Is the project located on real property owned by someone other than the applicant? If yes – list real property owners and the nature of the property interest.	No
Host railroad/infrastructure owner(s) of project assets	Terminal Railway Alabama State Docks
Other impacted railroad(s) (including tenants)	N/A
If the applicant is a commuter railroad. list the intercity passenger and/or freight railroad service(s) utilizing the proposed project.	N/A

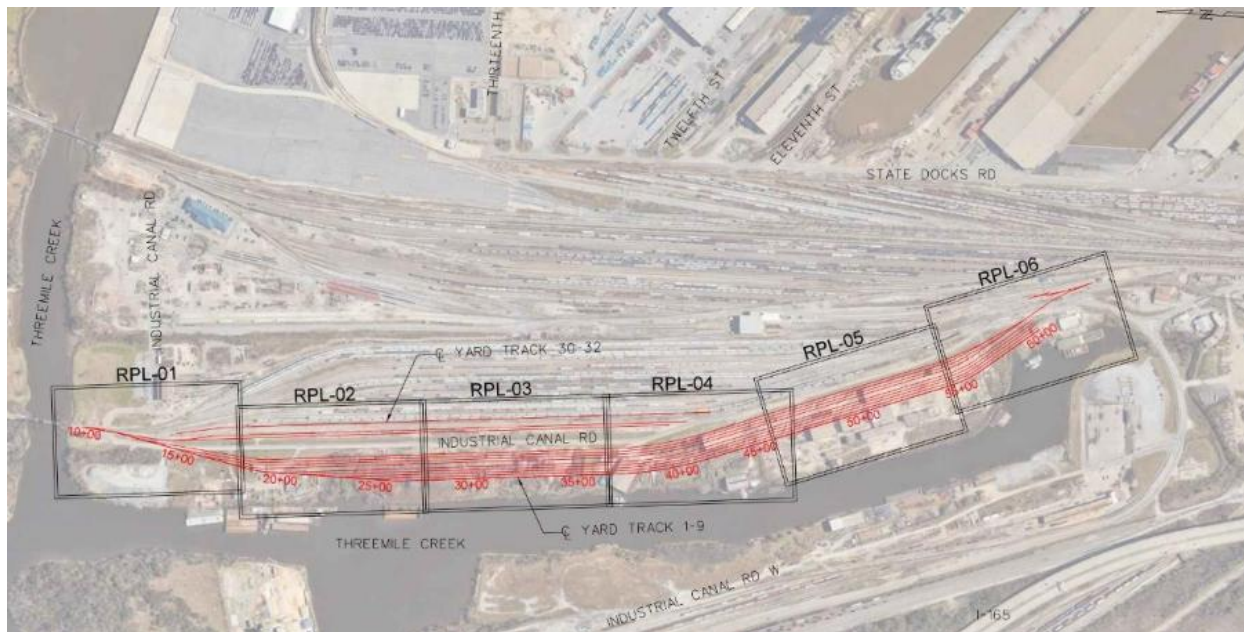
Has the applicant executed an agreement with the host railroad regarding use of the railroad right-of-way where the project will be located consistent with 49 U.S.C. § 22905(c) (if applicable)?	N/A
Is the project currently programmed in any medium- or long-range planning document? <i>If yes – specify planning document.</i>	Yes State of Alabama Rail Plan 2024
Is the project located on a potential corridor selected for the Corridor Identification and Development Program? <i>If yes – specify the corridor(s).</i>	No
Is the project expected to need a waiver under FRA's domestic preference requirements?	No

2.0 PROJECT SUMMARY

The Alabama Port Authority (APA) is pleased to submit this application for lifecycle Final Design and Construction activities under the Consolidated Rail Infrastructure and Safety Improvements (CRISI) Program for improving the Terminal Railway Alabama State Docks (TASD) rail interchange yard. This Project supports many of APA's and USDOT's goals of improving safety, creating more resilient infrastructure, and maintaining existing and future infrastructure in a state of good repair. The Project will complete all the necessary lifecycle Project Development, including Preliminary Engineering and Environmental Review, culminating in lifecycle Final Design and Construction.

The New Horizons Project, shown in **Figure 1**, will expand the existing interchange yard with approximately 38,980-feet (7.4 track miles) of new track. These proposed twelve additional rows of track would include nine tracks toward the west of the existing Industrial Canal Road for both through movement and storage and three additional tracks toward the east of the existing Industrial Canal Road for storage. The number and location of tracks will depend on preserving the location of existing utilities.

Figure 1. Overview of the New Horizons Project



3.0 GRANT FUNDS, SOURCES, AND USES OF PROJECT FUNDS

For the proposed improvements, APA is requesting \$37,155,011 (80% of total project costs) in funding through the Consolidated Rail Infrastructure and Safety Improvements (CRISI) Program. Non-federal matching funds of approximately \$9,288,753 (20% of total project costs) will be provided by APA through its general fund.

Table 1. Project Funding Table

Lifecycle Stage	Project Component/ Task	CRISI Federal	Other Federal	Applicant Cost-Share	Other Federal Cost-Share	Total
N/A	Project Administration and Management	\$2,972,401	\$0	\$743,100	\$0	\$3,715,501
Final Design	Railyard Expansion	\$3,715,501	\$0	\$928,875	\$0	\$4,644,376
	Permitting and Fees	\$1,040,340	\$0	\$260,086	\$0	\$1,300,426
Construction	Upgrading Railyard Switches / Other Improvements	\$29,426,769	\$0	\$7,356,692	\$0	\$36,783,461
Total		\$37,155,011	\$0	\$9,288,753	\$0	\$46,443,764

4.0 APPLICANT ELIGIBILITY CRITERIA

The applicant, Alabama Port Authority (APA), is an eligible applicant per Section 3(a) of the FY 2025-2026 Notice of Funding Opportunity (NOFO) for the Federal Railroad Administration’s (FRA) CRISI Program, as a public agency established by the State of Alabama.

APA is a public agency established in 1928 by Alabama Legislature with the mission to drive economic growth, connect global commerce, and strengthen communities with its commitment to delivering for Alabama.² As the applicant, APA is committed to leading project management and grant administration.

5.0 PROJECT ELIGIBILITY CRITERIA

APA’s Terminal Railway Alabama State Docks (TASD) New Horizons Project (the Project) proposes improvements to railyard, short line, and regional railroad infrastructure resiliency, safety, and operational efficiency, and investigates leveraging these improvements for future opportunities throughout the rail network.

This Project will support many local communities and industries and explore the potential for expanding rail service throughout the Mobile area and beyond. Because of this, the New Horizons Project qualifies as eligible under Section 3(d) vii of the FY 2025-2026 CRISI NOFO:

- (vii) A capital project to improve short-line or regional railroad infrastructure.

² <https://alports.com/about>

6.0 DETAILED PROJECT DESCRIPTION

The Port's railroad, TASD, is responsible for all rail switching services for customers at the Port of Mobile. With anticipated growth Port-wide the Project would allow the Port to prevent future congestion by increasing capacity in advance of demand.

Since 1928, TASD has been a key switching line owned and operated by the APA, servicing various mainline railroads and Port-dependent industries. The Project's purpose is to increase rail capacity, operational flexibility, and enable the Port to better manage rail traffic by expanding the TASD interchange yard footprint (**Figure 2**).

With the proposed Project, much-needed improvements will be made to expand the existing interchange yard by 38,980 feet (7.4 track miles) to increase storage capacity within the yard, provide storage flexibility during severe weather events, and streamline locomotive queueing.

Figure 2. TASD Railyard



The TASD's interchange yard tracks are prone to periodic flooding, particularly during high tides combined with severe rain events. The federal investment in the Project will support the preparation for potential railcar storage during ever-increasing storm events.

In addition, the yard will be converted to an automated flat switching yard using TS4500 Switch Machine technology, which has proven to be a cost-effective solution that increases safety and reliability as well as minimizes maintenance requirements for a lower overall cost of ownership.

With the federal investment in the Project, the Port will upgrade and automate switch machines that reduce the potential for operator error. The proposed improvements are crucial for both freight industries to improve worker safety.

Local industries and communities have relied on the railroad service at the Port of Mobile since its inception in 1928. From 2019 to 2024, the Port and its related activities, such as the railroad service, supported \$415.8 billion in total economic value, provided an average of 1 in 7 jobs state wide annually, and generated \$10.1 billion in state and local taxes.³ In addition to moving 234.4 billion tons of cargo through the Alabama Port Authority, those employed directly by the Port have an average annual salary of \$70,069, which is greater than the statewide average of \$63,999.⁴ Additionally, the Port's average salary is higher than the citywide average of \$53,558 and countywide average of \$58,880.⁵

Project Background

The TASD is a Class III short-line railroad that is both owned and operated by the APA⁶ and is the industrial switching lead for the Port of Mobile, responsible for approximately 75 miles of tracks across four facilities. The line services five Class I railroads and three short lines, handling approximately 210,000 revenue rail cars through its interchange and terminal yards annually. The

³ <https://www.alports.com/economic-impact>

⁴ <https://www.census.gov/quickfacts/fact/table/AL/PST045225>

⁵ <https://www.census.gov/quickfacts/fact/table/mobilecountyalabama,mobilecityalabama,AL/PST045225>

⁶ <https://alports.com/max>

line received one prestigious award in 2025, with the TASD team earning a 2025 Jake Award with Distinction from the American Short Line and Regional Railroad Association, which recognizes a full year with zero reportable injuries.⁷ The rail line has always been maintained with the various mainline railroads serving Mobile, and currently serves Class I railroads as well as short-line railroads.

Apart from the Pinto Island Steel Terminal, all Alabama Port Authority facilities are rail-served. TASD is a critical short-line railroad that handles switching across all terminals and delivers cargo directly to more than 25 customers. The railroad handles an average of 130,000 carloads annually, transporting goods such as containers, coal, metal products, lumber/building supplies, paper, chemicals,

Figure 3. Terminal Railway Alabama State Docks Overhead Aerial



petroleum products, aggregates, cement, grains, and agricultural products. TASD also generates additional revenue from the movement and storage of freight cars for other railroads. This switching line serves the Port facilities at the Port of Mobile as well as industrial and commercial customers, including steel mills, chemical plants, and distribution warehouses⁸. Critical TASD tracks intended for cargo throughput and rail fluidity are being utilized for storage rather than active freight movement. This operational constraint reduces yard capacity, limits throughput growth, and restricts the Port's ability to achieve its full economic and trade potential.

BROADER CONTEXT OF THE PROJECT

APA currently has more than \$1 billion in capital projects underway in the state. The Port reinvests all revenue outside of operating expenses in improving and expanding its facilities to ensure continued growth and success⁹. The implementation of the New Horizons Project would not only bring individual benefits to the Port but would also help bolster these other investments already underway in and around the Port.

In 2022, the Port completed a land deal to acquire 272 acres of land in Montgomery, Alabama, for \$2 million¹⁰. This acquisition includes the first inland intermodal container transfer facility (ICTF), with an anticipated completion date of March 2027. The Montgomery ICTF is a public-private partnership with CSX and will provide direct inland railway access to the deepwater port facilities in Mobile. It is also located with efficient interstate access to I-65 and I-85. This facility will help ease rail congestion at the Port of Mobile and take up to 250 tractor-trailers per day off the interstate system between Mobile and Montgomery. The Montgomery ICTF facility will have a throughput capacity of approximately 60,000 TEUs. This rail service will support business growth in Montgomery and throughout the State, and since the project's announcement in 2022, it has

⁷ <https://www.aslrra.org/about-us/industry-awards-recognition/safety-awards/jake-safety-award>

⁸ <https://www.railwaygazette.com/maps-and-data/terminal-railway-alabama-state-docks-tasd/53476.article>

⁹ <https://governor.alabama.gov/newsroom/2024/02/governor-ivey-announces-the-port-of-mobiles-nearly-100-billion-impact/>

¹⁰ <https://www.montgomeryal.gov/Home/Components/News/News/4184/193>

attracted more than \$4 billion in private investment to the area surrounding the facility¹¹. Through the Growing Alabama Tax Credit, APA has received \$12.5 million toward infrastructure improvements at the facility. This project will generate 2,618 direct and indirect jobs, \$340 million in business revenues, and over \$14.2 million in state and local taxes¹² (as a snapshot from 2022).

In 2024, the Alabama Port Authority (APA) announced the development of its third intermodal container transfer facility in Alabama—the North Alabama Intermodal Container Transfer Facility (ICTF). This strategic investment expands APA’s inland transportation network, strengthens supply chain resiliency, and extends the Port of Mobile’s market reach to key industrial and distribution centers throughout the Southeast.

The North Alabama ICTF supports APA’s Mobile America Express (MAX) initiative, a comprehensive multimodal transportation network designed to enhance freight efficiency, reliability, and connectivity. Through MAX, APA integrates ocean, rail, inland waterway, roadway, and air transportation services, providing seamless cargo movement and improved access to domestic and international markets. By expanding inland intermodal capacity, APA is creating a more efficient freight transportation ecosystem that supports regional economic growth, reduces supply chain bottlenecks, and increases the competitiveness of Alabama businesses in the global marketplace.

These expansions, combined with the federal support of the TASD New Horizons Project, will protect both past and future investments in new, more efficient, and resilient freight rail systems.

Challenges the Project Aims to Address

The improvements at the Port of Mobile’s TASD railyard for safer and more resilient infrastructure through movement that will increase worker safety and operational efficiency, provide more resilient infrastructure that can withstand ever-increasing storm events, lower maintenance costs, and ensure the continued economic support of industries throughout Alabama and beyond by addressing the following challenges.

CHALLENGE 1. FOSTER EXISTING AND FUTURE ECONOMIC COMPETITIVENESS

Improving the TASD yard will benefit all of the carriers that infrastructure that relies on it. In turn, the Project will advance the development of the entire network and support APA’s goals of economic competitiveness. Major industries are reliant on TASD’s storage capacity and efficiency for their economic success and stability.

Modernizing the TASD yard will unlock the full potential of the Port’s rail network by improving operational efficiency, increasing throughput capacity, and enhancing freight fluidity across the entire system. As the critical hub connecting multiple rail-served terminals and industrial customers, investments in the TASD yard will generate benefits that extend well beyond the Project footprint, strengthening the performance and reliability of the regional and national freight network.

The Project directly supports the Alabama Port Authority’s strategic objectives to expand economic competitiveness, increase cargo capacity, and improve supply chain resilience. Major industries throughout Alabama and the Southeast depend on the TASD yard’s storage capacity and operational efficiency to move raw materials and finished goods to domestic and international

¹¹ <https://alports.com/news/alabama-port-authority-breaks-ground-on-montgomery-rail-facility>

¹² <https://www.montgomeryal.gov/Home/Components/News/News/4184/193>

markets. By removing operational constraints and optimizing rail operations, the Project will enhance service reliability, reduce transportation costs, and support continued industrial growth.

The Port of Mobile serves as a critical gateway for global trade, handling more than 55 million tons of international and domestic cargo annually. In 2022 alone, port-related activities generated \$98.3 billion in economic value for the State of Alabama¹³. By strengthening a key component of the Port's intermodal infrastructure, this Project will protect and expand these economic benefits while positioning the Port to accommodate future growth in cargo volumes, industrial development, and supply chain demand.

This ecosystem shows the importance of expanding the TASD capacity and keeping it in a state of good repair. The existing TASD yard can currently store up to 2,310 carloads (based on an average 60-foot railcar over the length of track currently owned and operated by APA) and sees up to 200,000 revenue loads annually. Most of these carloads are for freight services that operate seven days a week, including daily unit train operations. With the proposed Project, it's anticipated that the TASD will be able to accommodate an additional 350 carloads of storage and up to an additional 35,000 revenue loads annually.

Freight train lengths have increased substantially over the past decade as Class I railroads have pursued operating efficiencies and network optimization strategies. Since 2008, average train lengths have grown by approximately 25 percent, with some trains now exceeding three miles in length¹⁴. This industry trend is expected to continue as rail carriers seek to maximize capacity and reduce transportation costs.

As train lengths increase, the need for strategically located rail yards capable of safely accommodating, staging, and assembling longer trains becomes increasingly critical. The TASD yard plays an essential role in the Port of Mobile's rail network by providing storage, switching, and operational flexibility necessary to support modern freight rail operations. Enhancing the TASD yard will ensure the Port can efficiently accommodate evolving demands from the rail industry, improve network reliability, reduce congestion, and maintain seamless freight movement throughout the regional and national supply chain.

According to the 2026 Port Performance Freight Statistics Annual Report from the Bureau of Transportation Statistics, the Port of Mobile alone handles a total of 59 million tons of commodities annually and was ranked 12th among the top 100 United States ports in terms of total tonnage of all categories according to the US Army Corps of Engineers (USACE)¹⁵. The Port is particularly important because it is the second-largest metallurgical (steelmaking) coal export terminal in the United States, with more than half of the tonnage arriving via rail, and it has an active capital improvement plan with over \$230 million in infrastructure investments that will double met-coal export capacity within the next five years¹⁶.

Overall, improving rail infrastructure will enhance the economic resilience of the Port of Mobile, especially for businesses that rely on TASD for port-wide movement and storage of goods.

¹³ <https://www.alports.com/economic-impact>

¹⁴ <https://www.gao.gov/assets/gao-19-443.pdf>

¹⁵ https://www.bts.gov/sites/bts.dot.gov/files/2024-01/2024_Port_Performance_Report_0.pdf

¹⁶ <https://www.sciencedirect.com/science/article/abs/pii/S0378383921000442>

CHALLENGE 2. INCREASE RESILIENCE AGAINST SEVERE WEATHER EVENTS

In 2005, the Port lost approximately \$2.1 million in railcar wheel sets alone and six of its eight locomotives during Hurricane Katrina. Most of the Port's damage was from the storm surge rather than the hurricane itself; however, the Port still sustained more than \$30 million in damage¹⁷.

Since then, the TASD Interchange Yard continues to be subject to extreme weather events and storm surges. Mobile lies in a region of the Gulf that has seen 28 severe (Simpson-Saffir Category 3–5¹⁸) hurricanes in the past five decades, and coastal port communities, such as Mobile, will be increasingly vulnerable to the impacts of severe weather events during the remainder of the 21st Century. Typical storm damage causes the entire port to shut down for 2–3 days, resulting in service disruptions during flood events. A case study of the Port of Mobile, AL, reveals that if a Katrina-like hurricane were to occur late in the 21st Century, damages to the Port of Mobile would increase by a factor of nearly seven¹⁹.

Maintaining sufficient rail capacity and operational flexibility is therefore essential to ensure continuity of service during and following severe weather events. The proposed improvements to the Interchange Yard will enhance the Port's resilience by increasing rail capacity, improving operational flexibility, and providing additional staging and storage options during emergency response and recovery operations. Therefore, this will enhance the Port's ability to effectively manage rail traffic, reposition equipment, and maintain cargo movements when portions of the transportation network are impacted by adverse weather conditions.

CHALLENGE 3. INCREASE WORKER SAFETY AND OPERATIONAL EFFICIENCY

Rail switches are critical components of rail infrastructure, enabling the safe and efficient routing of trains throughout a rail network. Their performance directly affects yard capacity, operational efficiency, reliability, and worker safety. Within the TASD yard, the existing manually operated switches represent both an operational constraint and a safety risk in an increasingly busy freight environment.

The proposed Project will replace manual switches with modern electric switch machines that provide remote operation and real-time monitoring capabilities. This technology enables more efficient train movements, reduces switching delays, and supports centralized yard operations. Electric switch machines also allow for the installation of heavier-duty switch components that can accommodate increased axle loads and higher traffic volumes, improving the yard's ability to support growing freight demand.

The Port of Mobile operates in a challenging coastal environment characterized by high humidity, heavy rainfall, storm events, and intensive industrial activity. Modern electric switch machines are specifically designed to perform reliably under these demanding conditions, reducing maintenance requirements and minimizing service disruptions caused by weather or equipment failures²⁰.

By eliminating the need for manually operated switches, the Project will significantly improve worker safety by reducing employee exposure to active rail operations. The upgraded system will also improve operational reliability, reduce the potential for misrouting cars, and increase overall yard efficiency. These benefits will enhance the TASD yard's capacity to safely accommodate

¹⁷ <https://www.aapa-ports.org/advocating/PRdetail.aspx?itemnumber=1452>

¹⁸ https://www.weather.gov/hgx/tropical_scale

¹⁹ <https://www.sciencedirect.com/science/article/abs/pii/S0378383921000442>

²⁰ <https://www.intertechrail.com/articles/evolution-of-switch-machines-in-rail-industry>

longer trains, heavier freight loads, and growing cargo volumes while strengthening the resilience and competitiveness of the Port of Mobile's rail network.

Current and Proposed Railroad Operations

TASD is experiencing record growth; however, without this influx of funding and expansion, continued growth will be constrained by congestion and efficiency challenges resulting from its rapid development. TASD has approximately 75 miles of track across more than 4,000 acres of Port facilities. Annual service frequency for FY 2026 includes 26,625 total dock units and 141,640 revenue railcars. It should also be noted that the TASD railyard handled 20,627 railcars in May 2026, compared to 14,651 in May 2025 (an increase of 5,976 railcars/units YOY).

Intermodal traffic has already increased by 142%, and the Port is developing inland ports in Montgomery and North Alabama, both connected to Mobile by rail, further increasing demand for efficient and reliable rail operations. In addition, Norfolk Southern and CSX are delivering an average of 3.6-unit trains per day, resulting in an average of 800 coal loads per day through the TASD network, further intensifying rail network utilization and capacity requirements. Further, the TASD has recorded three records for May 2026: (1) *New Revenue Units Record of 20,627 Revenue Loads Moved*, (2) *New Coal Switching Record of 11,640 (Beating Last Month's new Record of 11,626) for 111 Trains Dumped (105 Car Sets)*, and (3) *New Record for Sterling Chemicals moving over 200 cars for the month for the first time with 253 railcars moved for May*.

The scope of the project includes the construction of approximately 38,980 feet of new track adjacent to Industrial Canal Road. Work includes earthwork, erosion control, roadway and drainage (civil site) installation, trackwork and switches, and associated activities to improve operational performance. The project also constitutes a rail capacity expansion initiative, as the reclamation of land and conversion into a railcar storage yard will increase system capacity and operational flexibility.

The proposed project will include project administration and management, railyard expansion, and upgrading railyard switches, with an estimated total project cost of \$46.4 million. TASD serves Norfolk Southern, CPKC, CSX, Canadian National, BNSF, Alabama & Gulf Coast Railway (AGR), CG Railway, and Alabama Export Railroad (ALE), all of whom will benefit from increased efficiency in the TASD railyard.

Expected Outcomes

The TASD New Horizons Project will provide benefits associated with safer operations through a stronger rail structure and minimize potential economic losses, additional maintenance costs, and operational delays. The implementation of this Project will efficiently contribute to the improvement of the TASD yard and associated corridor network that can safely transport goods and people and improve reliability and resiliency.

Expected Users and Beneficiaries

LOCAL BUSINESSES/FREIGHT USERS

The primary trains moving through the TASD Yard are Port manifest customer and bulk and intermodal trains traveling to and from the Port's marine terminals the yard supports.

The private marine terminals include Alabama Steel Terminal, Vertex Energy, Zenith Energy, World Point Terminals, Radcliff Energy, Core Industries, Vulcan Materials, Holcim, Millard Marine, Bayou

Concrete, APM Terminals, AIT, and Quikrete. These private terminals handle liquid bulk cargoes, lumber products, coal, containers, automobiles, and dry bulk cargoes such as limestone and iron ore.

In 2022, the public and private marine terminals located in the Mobile Harbor and included in this impact study handled 43.3 million tons of international and domestic cargo for exporters and importers located within the state of Alabama, as well as throughout the United States²¹.

Improved service through yard expansion and upgraded switches can only enhance the efficiency of the freight trains running along the route. In addition, the APA is advancing rail improvements throughout the state that will allow for more resilient local and regional supply chains, especially for businesses that rely on freight. Improvements for these users can also support the projected growth of freight shipping by rail within the region.

Statement of Work

TASK 1. PROJECT ADMINISTRATION AND MANAGEMENT

Subtask 1.1. Project Administration

The Recipient will perform all tasks required for the Project through a coordinated process with FRA. The Recipient will facilitate the coordination of all activities necessary for implementation of the Project. The Recipient will:

- participate in a Project kickoff meeting with FRA following award;
- complete necessary steps to hire a qualified consultant/contractor to perform required Project work, as necessary;
- hold regularly scheduled Project meetings with FRA;
- inspect and approve work as it is completed; and
- participate in other coordination, as needed.

The Recipient will demonstrate to FRA that it is carrying out the project benefits in the most cost-efficient manner.

Subtask 1.2. Project Management Plan

The Recipient will prepare a Project Management Plan (PMP), that describes how the Project will be implemented and monitored to ensure effective, efficient, and safe delivery of the Project on time and within budget. The PMP will describe, in detail, the activities and steps necessary to complete the tasks outlined in this Statement of Work.

The PMP will include a Project Schedule and Project Budget for the work to be performed. The Project Schedule will be consistent with the Estimated Project Schedule but provide a greater level of detail. Similarly, the Project Budget should be consistent with the Approved Project Budget but provide a greater level of detail.

The Recipient will submit the PMP to FRA for review and approval. The Recipient will implement the Project as described in the approved PMP. The Recipient will not begin work on subsequent tasks until FRA has provided written approval of the PMP, unless FRA has provided pre-award authority for such work. The Recipient understands that FRA will not reimburse the Recipient for costs incurred in contravention of this requirement. FRA may require the Recipient to update the PMP. The Recipient will submit any such updates to FRA for review and approval.

²¹ <https://www.alportsimpact.com>

The Recipient will identify agreements governing the construction, operation, and maintenance of the Project in the PMP. If requested by FRA, the Recipient will provide FRA the final, executed copies of any agreements within ten business days of the request.

Subtask 1.3. Project Closeout

The Recipient will submit a Final Performance Report, which will describe the cumulative activities of the Project, including a complete description of the Recipient’s achievements with respect to the Project objectives and milestones.

Task 1 Deliverables

- Project Management Plan
- Final Performance Report

TASK 2. FINAL DESIGN

The Recipient will prepare a Final Design (FD) Package for FRA review and acceptance. The FD Package will include Final Design Plans, specifications, updated cost estimates based on FD quantities, and schedules necessary to demonstrate the effectiveness, feasibility, and readiness of the Project to be bid and/or constructed by contractor or in-house personnel. The FD package must include an engineer’s schedule, permitting and fees, construction estimate and documentation approval of the plan by stakeholders, as applicable. The Recipient will be responsible for ensuring the Project is constructed in accordance with the finalized environmental documents and the FRA accepted FD Package.

Task 2 Deliverable

- Final Design Package

TASK 3. CONSTRUCTION

The Recipient will construct/implement the following:

- Installation of 7.4 miles of new rail track
- Automated flat switching yard conversion

Task 3 Deliverables

- None

The Project is estimated to start in 2028 and complete construction in 2032.

Table 2. Estimated Project Milestone Schedule

Milestone	Schedule Date
Project Admin./Project Mgmt.	2028-2032
Permitting and Fees	2028-2029
Final Design Completion	2028-2030
Construction Substantial Completion	2030-2032
Total Construction	2028-2032

ENVIRONMENTAL INFORMATION

APA has started the environmental review process for the Project. The anticipated Class of Action to support the National Environmental Policy Act (NEPA) decision is an Environmental Assessment leading to a Finding of No Significant Impact (FONSI) under 23 CFR 771.119.

Separate from this application’s request, the fiscal year (FY) 2026 appropriations package included a Congressionally Directed Spending (CDS) allocation of \$2,000,000 to support the environmental

work in advance of the Project.²² This funding, to be administered by the Federal Railroad Administration (FRA) through the CRISI program, will advance Project Development activities, including preliminary engineering and environmental review documentation. Completion of these lifecycle activities through the CDS awards will position the Project for obligation and delivery of final design and construction elements in this FY 2025–2026 CRISI request, demonstrating a phased and implementation-ready funding strategy.

Preliminary environmental analysis, including wetlands delineation and cultural resources desktop studies are underway and should be completed by mid- July 2026. The Port is currently evaluating whether a Phase 2 environmental or cultural resources assessment will be required.

SAFETY

Based on safety data from the past five years (2021-2025), there have been 20 reported accidents in the City and County of Mobile, Alabama.²³ In 2025, there was a total of one confirmed accident in the City of Mobile using FRA safety data for the surrounding area.

Despite the lack of crashes, in the City of Mobile, it should be noted that over 320 accidents involving a railroad train were reported in Alabama over the years with approximately 70 resulting in fatal or serious injury.²⁴ This underscores the need to strengthen railroad safety in the state to ensure safe and reliable rail services.

GRADE CROSSING INFORMATION

Not applicable.

PTC INFORMATION

Not applicable.

TRESPASSING INJURY AND FATALITY PREVENTION AND REDUCTION

APA is committed to addressing safety concerns and trespassing as identified in the FRA's National Strategy to ensure safe, reliable, and efficient operations for rail customers and employees.

LOCOMOTIVE INFORMATION

Not applicable.

COMMUNITY EMERGENCY PLANS

Not applicable.

Project Support

The Project has support from its stakeholders, which are attached in **Appendix A - Letters of Support**.

²² United States House of Representatives. 2026. *Community Project Funding/Congressionally Directed Spending*. January 26.
<https://appropriations.house.gov/sites/evo-subsites/republicans-appropriations.house.gov/files/evo-media-document/thud-fy26-cpf-table.pdf>.

²³ <https://safetydata.fra.dot.gov/gxaps-app/#>

²⁴ <https://safety.aladata.com>

7.0 PROJECT LOCATION

The **TASD New Horizons Project** will expand the TASD's railyard by approximately 38,980-feet (7.4 track miles). The project lies within Alabama's 2nd Congressional District²⁵ in Mobile County.²⁶ The Port of Mobile is strategically located on the central Gulf Coast where abundant transportation options give businesses every asset they need to succeed and grow. Major rail, ship, and highway transportation systems converge along the Mobile River at the Port of Mobile to link Alabama businesses with the nation and the world. In addition to a deepwater port, Mobile has two major interstate connectors, five Class 1 railroads, and two airports²⁷. Shown in **Figure 4** below, the TASD interchange yard is a key component to this operation as the main switching and storage hub for the Port's operations. Notably, the Project is located within four areas designated as Opportunity Zones by the U.S. Department of Housing and Urban Development²⁸.

The Project is located at the following coordinates:

- Longitude: 30.697484
- Latitude: -88.040149

Figure 4. Transportation Vicinity Map at the Port of Mobile



8.0 EVALUATION AND SELECTION CRITERIA

The following describes the benefits and technical merits of the **TASD New Horizons Project**.

Project Readiness

The entirety of the Project area is located on Port Authority property, requiring no changes to the existing land use, ownership, or operations. The Project was identified through extensive planning, including public outreach and through active coordination with all regulatory agencies and applicable stakeholders. The Project can begin quickly upon obligation of grant funds, and grant funds will be spent expeditiously once the project is obligated.

²⁵ <https://2023-court-ordered-congressional-plan-algeohub.hub.arcgis.com>

²⁶ As of January 2027, the Project will be located in the 1st Congressional District.

²⁷ <https://mobilechamber.com/locate/locating-your-business-to-mobile/infrastructure-2>

²⁸ <https://www.hud.gov/opportunity-zones/resources/map>

NEPA STATUS AND ENVIRONMENTAL PERMITTING

The FY 2026 appropriations package included a CDS allocation of \$2,000,000 to support the Port Railroad Expansion for this Project. This funding, to be administered by the Federal Railroad Administration (FRA) through the CRISI program, will advance Project Development activities, including preliminary engineering and environmental review documentation. Completion of these lifecycle activities through the CDS awards will position the Project for obligation and delivery of final design and construction elements in this FY 2025–2026 CRISI request, demonstrating a phased and implementation-ready funding strategy.

Under the CDS award, FRA will be the lead agency for environmental review. That award will be structured to include all pertinent Project Development deliverables, including analysis necessary to support a final environmental decision under NEPA. Currently, preliminary wetlands delineation and cultural resources desktop studies are underway and should be completed by July 2026. APA will coordinate with FRA on any future permitting needs or if future environmental or cultural resources efforts will be required. All environmental commitments, to be identified within the CDS award Deliverable(s) will be reflected in the lifecycle Final Design and Construction work to be completed under this Project.

TIMELINE OF AGREEMENTS

Under 49 U.S.C. 22905(c)(1), a grant applicant must have a written agreement with a railroad that owns rights-of-way to be used by the project (referred to here as the 22905 Agreement) prior to grant obligation. As the applicant and property owner, APA does not need to enter into a 22905 Agreement with an external party.

LIFECYCLE STAGES

The application lifecycles pursued under this application include Final Design and Construction for the TASD yard improvements. Because lifecycle Project Development will be funded through a secured FY26 CDS CRISI award, this Project is ready to pursue lifecycle Final Design and Construction through this request.

PROJECT PARTNER COORDINATION AND COMMITMENTS

The Alabama Port Authority (APA) is committed to meaningful stakeholder engagement throughout project development and implementation. APA routinely collaborates with port customers, rail partners, local businesses, government agencies, and community stakeholders to identify infrastructure needs and ensure investments align with regional transportation and economic development priorities. Through these ongoing discussions, stakeholders have consistently highlighted the importance of expanding rail capacity and improving operational efficiency within the TASD yard.

Upon award, APA will implement a comprehensive public outreach and stakeholder engagement program designed to inform project development and incorporate stakeholder feedback. APA will coordinate with involved agencies, business partners, rail operators, and community organizations and will conduct public meetings in the vicinity of the project area, as appropriate and required. Meeting notices, project information, and opportunities for public comment will be broadly advertised through APA's website and other communication channels to maximize participation and transparency.

This proactive engagement approach will ensure that stakeholder perspectives are considered throughout project delivery while maintaining open communication regarding project benefits, construction activities, and anticipated outcomes. By fostering collaboration among public- and

private-sector partners, APA will strengthen support for the Project and help ensure its successful implementation.

CAPACITY TO IMPLEMENT AND DELIVER

APA has the technical capacity to implement and deliver the Project within budget and on schedule, with more than 25 years of experience in project implementation and management. APA's cost share will come from its General Fund to undertake the activities for the Final Design and Construction described in this narrative.

Technical Merit

EVALUATION CRITERIA

Appropriateness of Tasks, Budget, and Schedule

APA's tasks, budget, and schedule align with CRISI goals and apply an appropriate approach to achieve expected outcomes. The SOW has identified the supporting tasks required to implement the proposed project.

Technical Qualifications and Experience

APA has technical staff who are experienced and qualified to undertake the Final Design and Construction of this project. APA key personnel have more than 25 years of experience in successfully executing projects on time and within budget. Additionally, APA will contract with a consultant team with expertise to support the Final Design and Construction process.

Private Sector Participation

While the proposed project's business plan does not explicitly consider potential private sector participation in the financing, construction, or operation of the proposed project, APA is open to continued engagement or partnership with its railroad partners to deliver the Project.

Legal, Financial, and Technical Capacity

As evidenced by previous management of federal funding programs such as CRISI or PIDP, APA has demonstrated the legal, financial, and technical capacity to carry out the proposed project in a timely manner and efficient manner.

Planning Guidance and Documents

The proposed project is consistent with planning guidance and documents set forth by DOT, including those required by law or State rail plans developed under 49 U.S.C. chapter 227. Consequently, the proposed project is consistent with the strategic goals outlined in the 2026 National Freight Strategic Plan, which are detailed in the evaluation and selection criteria above:²⁹

- Safe freight system
- Efficient freight system
- Secure freight system
- Resilient freight system
- Innovative freight system
- Capable freight workforce

Additionally, the proposed project aligns with several rail goals outlined in the Alabama 2024 State Rail Plan.³⁰ Relevant rail goals include:

- Improved freight rail service, rail network improvement, and rail multimodal connectivity in and through Alabama
- Increased rail infrastructure and network operations safety and security

²⁹ https://www.transportation.gov/sites/dot.gov/files/2026NationalFreightStrategicPlan_FINAL_508.pdf

³⁰ <https://www.aldot.gov/programs/pdf/Rail/ALSRP2024.pdf>

- Preservation of the rail network, improved infrastructure and infrastructure condition, increased reliability, efficiency, rail terminal and multimodal capacity, freight rail access, and reduced transportation network congestion supportive of economic growth
- Increased mobility and domestic and global connectivity enhancing quality of life
- Reduction of community impacts and concerns arising from rail operations and network development

This is influenced by Alabama Department of Transportation's (ALDOT) mission "to provide a safe, efficient and environmentally sound transportation system for all customers."³¹

Innovative Approaches

Innovative Technology

As the project advances, APA will apply best practices and innovative technology to maintain in a state of good repair.

Innovative Delivery

APA is committed to utilizing innovative design, construction techniques, and sustainable materials whenever it is feasible. Detailed construction techniques, specifications, and materials will be explored in Final Design and Construction phases of the Project.

Innovative Financing

APA is open to discussions on innovative financing options with the Build America Bureau or other partners. As the project advances, APA will partner with FRA to develop innovative approaches to project delivery and financing.

Prior Grant Performance and Evaluation Rating

The Port has a demonstrated history of successfully administering complex federal and state grants that improve maritime infrastructure, strengthen port security, enhance environmental stewardship, and promote economic development. Our experienced grant management team has successfully managed more than \$500 million in funding from the U.S. Department of Transportation, FEMA, the RESTORE Council, the Alabama Department of Conservation and Natural Resources, and other federal and state partners.

Maritime Administration (MARAD)

- FY21 Demonstration Grant - \$38M - Inter-Terminal Connector – The connector will improve the efficiency of the container terminal. Logistics Park – Will play a key role in enhancing intermodal and multimodal freight connectivity and simultaneously increasing the efficiency and resiliency of local, regional, and national freight systems.
- FY24 PIDP Grant - \$5M - McDuffie Dust Suppression System – This project will improve the air quality at McDuffie and the surrounding areas.

Department of Housing and Urban Development (HUD)

- FY22 & 23 Community Project Funding- \$332,700,000 – APM Phase IV & V – The expansion will increase capacity, enhance efficiency and support trade growth. Pier B Construction - Modernizes historic infrastructure and strengthens Alabama's forest products, steel supply chains.

Federal Railroad Administration (FRA)

- FY22 CRISI Grant - \$67,300,000- Montgomery ICTF – The state-of-the-art facility will provide seamless rail and truck connectivity between central Alabama and the Port of Mobile, enhancing freight mobility and stimulating economic growth throughout the region.

³¹ <https://www.dot.state.al.us>

Gulf Coast Ecosystem Restoration Council (RESTORE)

- \$2.5M – Upper Mobile Bay Beneficial Use Planning Project – This project is designed to strengthen coastal resilience and support the long-term health of the bay.

Project Benefits

EVALUATION CRITERIA

Effects on System and Service Performance

Adding to the existing tracks and modernizing the switches of the TASD yard will have a positive impact on the entire railway system that enters the Port of Mobile by improving the operational efficiency and performance of the network.

Alabama's railway system is an important aspect of the state's history and economy. Today Alabama's freight rail network is composed of 3,973 freight rail miles operated by 28 Class I, II and III railroads³². **Figure 7** provides a breakdown of the numerous owners of Class I rail found throughout Alabama. Effects on safety, competitiveness, reliability, trip or transit time, and resilience

Safety

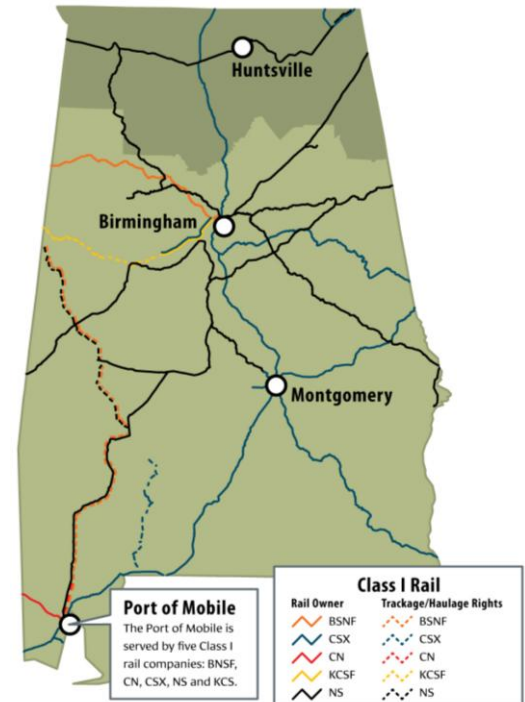
APA is committed to improving safety, as evidenced by its receipt of 12 safety awards since 2014. The Project will improve safety by upgrading to power switches, which will reduce the potential for workplace injuries and low-speed yard collisions.

Competitiveness

APA serves all 67 counties in the State of Alabama and, in addition to its inland port facilities, oversees maritime commerce and operations at the Port of Mobile, Alabama's only deep-water seaport.³³ The Port of Mobile consists of public marine terminals owned by the APA, as well as privately owned marine terminals. The public marine terminals handle coal, containerized cargo, steel slab and steel products, forest products including pulp, paper and lumber, dry bulk cargo and liquid bulk cargo. The private marine terminals handle liquid bulk cargoes, lumber products, coal, and dry bulk cargoes such as limestone and iron ore.

In 2022, the public and private marine terminals located in the Mobile Harbor, which were included in this impact study, handled 43.3 million tons of international and domestic cargo for exporters and importers located within the state of Alabama, as well as throughout the United States. The Port of Mobile is home to one of the world's largest export coal terminals, designed for the efficient export of premium U.S. steelmaking coal.³⁴ With 50 feet of water, we offer access to larger vessels, boosting our capacity and enabling greater economies of scale. This increased depth enhances our ability to handle high-volume shipments, delivering significant operational advantages. With APA being the cornerstone of economic prosperity for Alabama and the Gulf Coast, it is driving growth across multiple industries. Supporting one in seven jobs statewide, the Port's operations at both public and private terminals have a far-reaching impact. Recently ranked by Forbes as the second-

Figure 7. Freight Rail in Alabama



³² <https://www.dot.state.al.us/publications/Design/pdf/Rail/RailSummary.pdf>

³³ <https://www.alportsimpact.com/alabama>

³⁴ <https://alports.com/facilities/coal>

fastest-growing port in the U.S., the Port is on an ambitious path of continued expansion. With over \$1 billion in planned improvements, APA is positioned to fuel Alabama's economic growth, create job opportunities, and strengthen our role as a global trade hub.³⁵

Reliability

The Port of Mobile occupies a strategically significant location where maritime, rail, highway, air, and inland waterway transportation networks converge, making it one of the nation's most important multimodal freight gateways. As a critical component of this transportation ecosystem, the TASD yard plays an essential role in ensuring the efficient, reliable, and timely movement of cargo between domestic and international markets.

Rail transportation provides substantial economic and environmental benefits by moving freight more efficiently and with lower emissions than long-haul trucking. By increasing yard capacity, improving operational efficiency, and enhancing service reliability, the proposed Project will strengthen intermodal connectivity and make rail an even more attractive transportation option for shippers. The upgraded TASD yard will enable cargo owners to move freight seamlessly through the Port of Mobile and onto the national rail network, reducing transportation costs, improving transit reliability, and minimizing supply chain disruptions.

The Project will also generate broader public benefits by supporting freight diversion from highways to rail. Shifting freight to rail reduces truck traffic on regional and interstate roadways, decreasing congestion, lowering vehicle emissions, improving roadway safety, and reducing wear and tear on publicly funded transportation infrastructure. These benefits help reduce long-term roadway maintenance costs while improving overall transportation system performance.

In addition, investments in the TASD yard will improve the reliability and resilience of the regional rail network by reducing operational bottlenecks, increasing storage and staging capacity, and supporting a state of good repair. Enhanced yard operations will minimize delays, improve asset utilization, and provide the flexibility needed to accommodate growing freight volumes and longer train lengths. Together, these improvements will strengthen supply chain efficiency, support economic growth, and reinforce the Port of Mobile's role as a critical freight hub serving Alabama, the Southeast, and the nation.

Trip / Transit Time

Alabama's Port of Mobile sits at the nexus of major population and economic centers, and the TASD yard provides the essential movement of goods throughout the Port. By expanding the throughput rail and storage tracks in this yard and upgrading the switch technology, the time it takes to move locomotives through the yard is expected to decrease.

Resilience

The Port of Mobile is located in a region frequently impacted by severe weather events such as hurricanes and tropical storms. APA, with the support of the state of Alabama, has recently invested in a resiliency study to plan for future severe weather risks and evaluate opportunities to improve the overall resilience to 100-year weather events. In 2005, Hurricane Katrina caused more than \$30 million in damage to Port facilities. More recently, Hurricanes Sally and Zeta in 2020 inflicted significant damage across the Alabama Gulf Coast, highlighting the vulnerability of critical transportation infrastructure to extreme weather events.

³⁵ <https://alports.com/economic-impact>

As Alabama's primary deep-water port and a key component of the nation's freight transportation network, disruptions to Port operations can have far-reaching economic consequences. Damage to critical rail infrastructure has the potential to impede cargo movement, disrupt supply chains, and negatively affect industries throughout Alabama and the broader Southeast region.

The TASD Interchange Yard experiences periodic flooding during extreme rainfall events, storm surge, and elevated tidal conditions. These events can disrupt rail operations, reduce yard efficiency, and require operational adjustments to protect rail assets and cargo. Maintaining sufficient rail capacity and operational flexibility is therefore essential to ensuring continuity of service during and following severe weather events.

The proposed improvements to the Interchange Yard will enhance the Port's resilience by increasing rail capacity, improving operational flexibility, and providing additional staging and storage options during emergency response and recovery operations. The expanded yard will enable the Port to more effectively manage rail traffic, reposition equipment, and maintain cargo movements when portions of the transportation network are impacted by adverse weather conditions.

By strengthening one of the Port's most critical freight interchange facilities, this investment will improve the reliability and resilience of the Port of Mobile's rail network, helping safeguard regional economic activity and supporting the long-term security of national supply chains.

EFFICIENCIES FROM IMPROVED INTEGRATION WITH OTHER MODES

Efficient integration with other modes is important in supporting freight movement, as improved integration can provide a reliable and robust network to support the supply chain. Improving the TASD yard at the Port of Mobile will support the greater multimodal transportation network in Alabama, shown in **Figure 8** at right.

Integrated transportation is a key component for supply chain and logistics businesses, offering a range of benefits that streamline operations, reduce costs, and enhance customer satisfaction. One of the key advantages is enhanced efficiency. By integrating multiple modes of transport, such as rail, road, water, and air, companies can leverage each mode's strengths to optimize the movement of goods.

Figure 8. Transportation Modes in Mobile and Baldwin Counties



Multimodal transportation has also been proven to alleviate congestion on specific modes of transport³⁶. By diverting some traffic from heavily congested roadways to rail or waterways, multimodal transportation reduces strain on infrastructure and improves overall traffic flow. This, in turn, leads to reduced travel times, lower fuel consumption, and improved air quality.

ABILITY TO MEET EXISTING OR ANTICIPATED DEMAND

Freight demand continues to grow across the United States, and the ability to build high-capacity, resilient supply chains has become increasingly salient in recent years. Meeting this demand is critical to the economic growth of Alabama and the areas that the Port of Mobile and the TASD yard support.

The rail industry provides important economic benefits to Alabama. According to the Association of American Railroads, 162.4 million tons of freight originated, terminated, or moved through Alabama by rail in 2011. Because railroads are four times more fuel efficient than trucks and one train can carry as much freight as several hundred trucks, an estimated 9 million additional trucks would have been required to handle the 162.4 million tons of freight moved in Alabama by rail in 2011³⁷.

These improvements will make freight more reliable for transporting goods than trucking and will reduce stress on the roadway network. By relieving stress on the roadway network through improved railway service, the current network must be able to meet anticipated demand by relieving the roadway network. Investing in railcar storage and switching system at the TASD yard provides a basis for meeting these demands and supporting the ever-growing demand for freight movement.

Selection Preferences

SELECTION CRITERIA

The TASD Yard Modernization Project addresses a critical freight rail infrastructure need that is not eligible under other Federal Railroad Administration (FRA) discretionary grant programs. The Project is not focused on short line railroad infrastructure or equipment, rail safety technology deployment, workforce development, intercity passenger rail, or discrete freight rail chokepoint improvements. Instead, it represents a comprehensive rail yard modernization effort that will increase capacity, improve operational efficiency, enhance resilience, and strengthen intermodal freight connectivity at one of the nation's most important multimodal freight gateways. As such, the Project is uniquely aligned with the objectives of the New Horizons Program and would not otherwise have access to a comparable federal funding source.

FINAL DESIGN AND CONSTRUCTION LIFECYCLE STAGES

Consistent with FRA's *Railroad Capital Projects Guidance*³⁸, the proposed Project includes both Final Design and Construction lifecycle stages. As outlined in the Scope of Work, the Project will advance through all Final Design activities necessary to support construction, including development of final engineering plans and specifications, project management documentation, detailed project scheduling, refined capital cost estimates, procurement planning, and financial management activities.

Upon completion of Final Design, APA will proceed directly into construction, including rail infrastructure improvements, switch modernization, track upgrades, and associated yard enhancements. The Project is anticipated to achieve substantial completion by 2032, resulting in a

³⁶ <https://www.tvsscs.com/multimodal-transportation-what-it-is-and-how-it-can-benefit-your-businesses>

³⁷ <https://www.dot.state.al.us/publications/Design/pdf/Rail/RailSummary.pdf>

³⁸ <https://railroads.dot.gov/sites/fra.dot.gov/files/2025-07>

modernized rail yard capable of supporting increased freight volumes, longer train lengths, and enhanced operational reliability.

PROPOSED FEDERAL SHARE

The Alabama Port Authority is requesting approximately \$37,155,011 in federal funding, representing 80 percent of total Project costs. While the Project is a strategic priority for the Port and the State of Alabama, the scale of the investment required exceeds the level that can be accommodated through existing capital improvement budgets without delaying other critical infrastructure, operations, and maintenance needs.

Federal participation will accelerate implementation of these improvements, enabling the Port to proactively expand rail capacity and strengthen operational resilience before future freight growth outpaces existing infrastructure capabilities. Early investment will also reduce the Port's vulnerability to severe weather events and other operational disruptions by replacing aging infrastructure with modern, more reliable assets designed to withstand the demanding conditions of the Gulf Coast environment.

By advancing the Project on an accelerated schedule, federal funding will help avoid future costs associated with emergency repairs, unplanned service interruptions, and operational inefficiencies. The resulting improvements will provide long-term benefits through increased capacity, enhanced supply chain reliability, improved asset performance, and sustained economic growth for Alabama and the broader Southeast region.

NET PROJECT BENEFITS

The Benefit Cost Analysis summarizes the discounted value of the benefits and costs for the proposed project. Taken in total and using a 7% discount rate, per USDOT guidance, the Project provides significant safety and environmental benefits over the analysis period with a resulting Benefit Cost Ratio (BCR) of 3.6 for this project (see **Table 3** below). The full BCA calculations are presented in **Appendix B** with supporting documentation and explanation of methodology provided in **Appendix C**.

Table 3. BCA Summary Table

Key Financial Metrics	Undiscounted	Discounted
Total Benefits (\$ millions)	\$435.3	\$113.1
Total Costs (\$ millions)	\$46.4	\$31.4
Net Present Value (NPV) (\$ millions)	\$81.7	
Benefit-Cost Ratio (BCR)	3.6	
Payback Period (Years)	5 years	
Internal Rate of Return (IRR)	19%	

The specific components and elements of the **New Horizons Project** include the following activities:

- Engineering design
- Federal environmental approval
- Installation of 7.4 miles of new rail track
- Automated flat switching yard conversion

This allows for increased safety and enhanced service to better facilitate rail performance in Alabama and its surrounding areas.

ENHANCING THE PASSENGER RAIL EXPERIENCE FOR FAMILIES

This project is focused on rail performance for cargo movement by a short-line railroad and, therefore, is not applicable.

TRESPASS PREVENTION

The project is not a Trespass Prevention Project and is therefore not applicable under 49 U.S.C. 22907(c)(11).

IMPROVEMENT OF SAFETY AND CONDITION OF EXISTING INFRASTRUCTURE

The Port of Mobile is in an area prone to hurricanes and severe weather. In 2020 and 2021, two major hurricanes (Sally and Zeta) hit the Alabama Gulf Coast, causing hundreds of millions of dollars in damage. Because of the Port's location and its importance to the region and country, damage to Port infrastructure has the potential to have significant, negative impacts on every component of the economy in Alabama and its surrounding states and the nation's supply chain security.

The TASD's interchange yard tracks are prone to periodic flooding during severe weather events. These events can disrupt rail operations, reduce yard efficiency, and require operational adjustments to protect rail assets and cargo. The preferred solution is to upgrade railyard switches and increase throughput capacity, which will support the yard's ability to adapt to severe weather events.

SUPPORT SUPPLY CHAINS AND ECONOMIC OPPORTUNITY

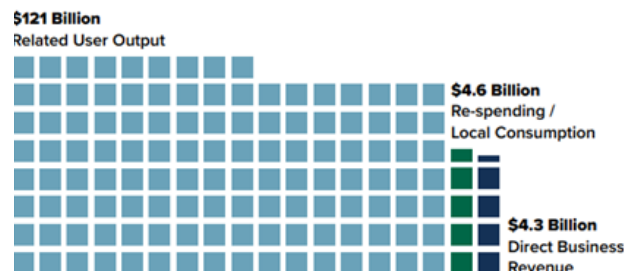
Rail-related investments can equip Alabama with the necessary tools to attract and retain businesses in different sectors. These investments can also stimulate the economy by providing more employment opportunities. As roadways continue to age and become more congested, the shared use of the state's existing transportation systems, most notably the state's public and private railroads, can be used as a marketable resource in attracting economic development to the state while also lessening the burden on public roadway systems. Infrastructure maintenance, particularly with roadways, remains an issue at all levels of government. Illustrating the benefits of rail in a shared use of the transportation system not only benefits area businesses looking to ship products by rail, but it also benefits taxpayers by reducing wear and tear on public roadways.

Upgrading the TASD yard at the Port of Mobile will improve the railway network's efficiency and allow the system to be a viable replacement for highway travel for the movement of commodities. Improved rail service can only ease congestion on taxed roadways and reduce CO2 emissions from cars and trucks. This Project will support the continuation of consistent and predictable rail service to businesses and communities that use rail services in Alabama.

In 2022, marine cargo activity at the public and private marine terminals at the Port of Mobile supported a total of \$130.3 billion of total U.S. economic value (**Figure 9**), of which \$98.3 billion of total economic value was supported in the state of Alabama.

The APSA facilities supported \$122.5 billion of total economic value to the U.S. economy. Additionally, a total of \$8.3 billion of federal, state, and local tax revenue in the U.S. was supported by maritime activity at the Port of

Figure 9. 2022 National Economic Value
\$130 Billion Total Economic Value



Mobile public and private terminals. Of the \$62.7 billion of federal, state, and local tax revenue supported in the U.S., \$2.4 billion of state and local taxes was supported in the state of Alabama³⁹.

INNOVATION AND ADVANCED TECHNOLOGIES

Upon receipt of the award, APA will actively work with the agency to discuss alignment on innovative technologies that advance the Department's Innovation Agenda.

9.0 PROJECT IMPLEMENTATION AND MANAGEMENT

APA is the grantee and sole funding partner for this grant. APA will be responsible for project implementation and management, project completion, and closeout. Contracting, oversight, risk management, and other key tasks will be managed within APA and by its contractors. Regular progress reports, completion of key milestones, and coordination with FRA and other project parties will also be managed by APA. Additional details are provided in the Statement of Work included in this narrative.

Project Contracting

APA and its contractors will manage construction, maintenance, and operations for the Project.

Contract Oversight and Control

APA and its contractors will oversee all lifecycles associated with project components as the lead agency to ensure compliance is maintained and the Project is successfully completed within budget and on time.

Change-Order Management

APA will document, approve, and execute modifications to the project scope, schedule, or cost in coordination with FRA to ensure smooth project implementation and compliance.

Risk Management

APA, who will administer the project, has successfully completed work like the proposed Project and experienced no procurement delays of any significance. The project site is currently utilized for its proposed purpose and is entirely owned by APA, which may reduce many potential risks. The Port will identify and plan for risks toward successful delivery of the Project based on preliminary observations and prior work completed in the project area. Key activities may include but are not limited to the following (in compliance with 2 CFR 200.206(b)):

- Regular risk review meetings to assess risk status and update risk registers.
- Performance monitoring of contractors and suppliers to ensure adherence to project standards and timelines.
- Conducting internal and external audits to evaluate compliance with safety, quality, and regulatory requirements.
- Implementing feedback mechanisms to capture stakeholder concerns and address them promptly.

³⁹ <https://www.alportsimpact.com>

- Develop contingency plans for high-impact risks that may have a significant effect on project outcomes, which will outline alternative courses of action, resource allocation strategies, and decision-making processes to mitigate unforeseen events.

Progress Reporting

APA will take the following approach to project reporting, including key components and FRA reporting guidelines:

- **Quarterly Progress Reports (QPRs):** APA will submit QPRs detailing the Project's status, accomplishments during the reporting period, and comparison of actual versus planned progress.
- **Quarterly Federal Financial Reports (SF-425):** Alongside QPRs, APA will complete and submit SF-425 to report the status of funds for the Project. This will include a detailed accounting of expenditures and any revenues or program income affecting the Project budget.
- **Annual Reports:** An annual report will be prepared summarizing the year's activities, significant milestones achieved, compliance with federal regulations, and a detailed financial statement. This report will also discuss challenges faced and the strategies implemented to address them.
- **Final Performance Report:** Upon project completion, APA will compile a final performance report providing a comprehensive overview of the Project from start to finish. This report will evaluate the Project's overall success against the initial objectives and performance measures outlined in the draft Statement of Work. It will include detailed analysis of outcomes, benefits, and lessons learned throughout the project lifecycle.
- **Compliance with 2 CFR 180.335, 2 CFR 200.345, and 2 CFR 180.350:** APA guarantees compliance with the standard terms and conditions for FRA grant awards as per these regulations, ensuring transparency and accountability in the administration of federal funds.
- **Performance Measures:** Anticipated performance measures will be identified in the draft Statement of Work. These measures will be monitored and reported throughout the projects lifecycle to evaluate its impact and effectiveness.
- **Additional Performance Measures:** As the Project progresses through its various phases, APA remains open to identifying and integrating additional performance measures to enhance project reporting and outcomes. This adaptive approach ensures that the Project remains aligned with evolving goals and standards.

Experience with Similar Projects and Staff Readiness

APA is ready to successfully deliver the TASD New Horizons Project in compliance with any applicable local, State, and Federal requirements. Since 2011, the APA has managed over \$500 million in state and federal grants. These funds have helped APA successfully execute and complete three EPA DERA grants, multiple Department of Homeland Security Port Security Grants, two MARAD TIGER Grants and several state grants. In addition to the award phase of two PIDP and a CRISI grant, the Port is currently managing two HUD grants, two Port Security Grants, a MARAD PIDP grant, a FRA CRISI grant, a Federal Restore Council grant, and a Demonstration grant. APA has historically completed all projects successfully, in a timely manner, and in compliance with all contractual obligations.

The Port Authority Grant Administrator will be assisted by an established grant management and administration team consisting of staff with a full spectrum of port engineering, port operations,

and port-related financial management experience. Engineering staff with significant background and experience in working successfully with federal and state resource and regulatory agencies, Homeland Security, and the USACE will provide that expertise and experience to the Grant Administrator's team. The Grant Administrator will have the Port Authority's Counsel for any needed legal services in the course of establishing the grant agreement and administering the grant program post-agreement execution.

Megan Amacker, Grant Administrator. Ms. Amacker will be APA Grant Administrator and Primary Point of Contact for APA. In her role as Grant Administrator, Ms. Amacker will administer the grant with particular emphasis on record keeping, expenditure disbursement, document tracking, verification, compliance monitoring/auditing, and report generation, for which she is specifically trained and experienced. Ms. Amacker is responsible for all aspects of all federally funded projects from concept to completion and frequently attends training sessions to stay up to date on the current requirements for federally funded projects.

Ms. Amacker will be directly supported by Jason Krick, PE, Chief Engineering Officer; Chris Ransom, Chief Financial Officer; Catherine Reaves, Chief Policy Officer; Maggie Oliver, Chief Development Officer; Alex King, Chief Operating Officer; and Rob Golden, TASD General Manager. Designated staff members will be accountable to Ms. Amacker for full compliance with all progress reporting requirements and procedures, procurement procedures in accordance with all federal regulations and guidelines, and the preparation and submission of periodic reimbursement requests for project-eligible expenditures.