



PAN AM RAILWAYS
IRON HORSE PARK
NO. BILLERICA, MA 01862

November 1, 2011

Mr. David M. Webster
Chief, Industrial Permits Branch
Office of Ecosystem Protection
USEPA Region 1
5 Post Office Square, Suite 100
Boston, MA. 02109-3912

Dear Mr. Webster:

On behalf of Pan Am Railways ("PAR"), I write today to express my concern with the Environmental Protection Agency's (EPA) recent National Pollutant Discharge Elimination System (NPDES) draft permit for Merrimack Station in Bow, New Hampshire.

PAR owns and operates over 1500 miles of railroad in six states and as a result regularly interacts with numerous federal and state environmental agencies. Through these frequent interactions, it has become apparent that the most beneficial outcome of any business development efforts take into account both the environmental and economic impacts of such development. PAR has been fortunate to find federal and state regulators who recognize the need for balancing economic benefits with environmental impacts and in each instance PAR has worked with those regulators to address their concerns, including several instances where regulators do not have jurisdiction over PAR operations.

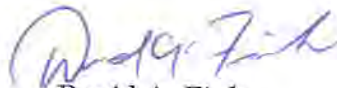
PAR has been advised of the conditions that the proposed EPA NPDES permit would impose on the operations of the Bow power plant and would respectfully submit that those conditions are contrary to the delicate balance that is necessary between private development and government regulation that is imperative to ensure that the needs of both sides are met. Furthermore, in these difficult economic times it is critical that government and private industry work together to remove uncertainty and encourage economic growth, and the current draft NPDES permit for the Bow plan does not appear to meet either of these goals.

While it would seem that PAR has little interest in this issue, in reality PAR does have a vested interest in the continuation of operations of the Bow plant. PAR's rail line to the Bow plant provides the only freight service in New Hampshire from PAR in Massachusetts and the newly formed Pan Am Southern LLC. Should the Bow plant cease or curtail operations due to the proposed NPDES permit

conditions, then the economics of sustaining a main line of over 50 miles would be tenuous at best.

Given the importance of the Bow plant for providing economically competitive power option to New Hampshire users, as well as the economic benefits that flow from the plant's operations, PAR would respectfully request that EPA reconsider the conditions that have been proposed in the draft NPDES permit for the Bow power plant.

Sincerely,



David A. Fink
President