taylor | english

Taylor English Duma LLP 1600 Parkwood Circle, Suite 200, Atlanta, Georgia 30339
Main: 770.434.6868 Fax: 770.434.7376 **taylorenglish.com**

Direct Dial: 404-640-5958
e-mail: cdowdy@taylorenglish.com

July 21, 2023

Via Alternative Electronic Filing

Ms. Sallie Tanner
Executive Secretary
Georgia Public Service Commission
244 Washington Street S.W.
Atlanta, GA 30334-5701

RE: Amended Petition For Approval to Acquire Real Estate By Condemnation
In Re: Sandersville Railroad Company; Hancock County, Georgia
Acquisition; Docket No. 45045

Dear Ms. Tanner:

For filing in the above-styled docket, please find the enclosed *Direct Testimony of Cale Veal* on behalf of Sandersville Railroad Company. As required by the electronic filing procedures, a physical copy of this filing will be mailed to the Commission. Thank you for your attention to this matter.

Should you have any questions, please do not hesitate to contact our office.

Sincerely,

L. Craig Dowdy
For TAYLOR ENGLISH DUMA LLP

LCD:wf
Enclosure

cc: Nancy G. Gibson (w/encl.)
Rob Trokey (w/encl.)
Steven L. Jones (w/encl.)
Robert Highsmith/Laura Flint (w/encl.)

Don and Sally Garrett (w/encl.)
Blaine and Diane Smith (w/encl.)
Grant E. McBride, Esq. (w/encl.)
Elizabeth L. Sanz/Renee D. Flaherty (w/encl.)
Marvin and Pat Smith (w/encl.)
William R. Maurer (w/encl.)

BEFORE THE
GEORGIA PUBLIC SERVICE COMMISSION

In Re: Sandersville Railroad Company's Petition For Approval to Acquire Real Estate by Condemnation	**Docket No.: 45045**

DIRECT TESTIMONY OF CALE VEAL

to be presented as a panel consisting of
Jeff Custer, Scott Dickson, Arnie Pittman, and Cale Veal
on behalf of Sandersville Railroad Company

July 21, 2023

L. Craig Dowdy
Georgia Bar No. 227810
Steven L. Jones
Georgia Bar No. 639038
TAYLOR ENGLISH DUMA, LLP
1600 Parkwood Circle
Suite 200
Atlanta, Georgia 30339
Telephone: (770) 434-6868
Facsimile: (770) 434-7376
cdowdy@taylorenglish.com
sjones@taylorenglish.com
Robert S. Highsmith Jr.
Georgia Bar No. 352777
Laura E. Flint
Georgia Bar No. 635203
HOLLAND & KNIGHT LLP
1180 West Peachtree Street NW
Suite 1800
Atlanta, Georgia 30309
Telephone: (404) 817-8500
Facsimile: (404) 881-0470
robert.highsmith@hklaw.com
laura.flint@hklaw.com

INTRODUCTION

Q. PLEASE STATE YOUR NAME, EMPLOYER, POSITION OR TITLE, AND BUSINESS ADDRESS.

A. My name is Cale H. Veal. I am the sole managing member of Veal Farms Transload, LLC ("Veal Farms Transload"), and I am a managing member of Revive Milling, LLC ("Revive Milling"). I am also an interest holder in numerous other companies, including, but not limited to, Veal Farms Trucking, LLC and Veal Farms, LLC. My business address is 811 E. South Central Avenue, Tennille, Georgia 31089.

Q. STATE YOUR EDUCATIONAL BACKGROUND, WORK EXPERIENCE, AND YOUR ORGANIZATION'S BACKGROUND.

A. In 2000, I graduated from John Hancock Academy in Hancock County, Georgia. From the ages of 16 to 21 years old, before and after graduating high school, I worked in kaolin plants in Washington County, Georgia and operated a sole proprietor farming enterprise that produced grains and legumes. At 21 years old, I started businesses specializing in erosion, sedimentation, and pollution control as well as grain merchandizing. Those businesses, included, but are not limited to, a general partnership and Veal Farms & Erosion Control, LLC.

I am still in the farming business. Today, my farming business is now known as Veal Farms, LLC. We produce grain for companies, including, but not limited to, subsidiaries and affiliates of Perdue foods and the Scoular company.

I also own a trucking company known as Veal Farms Trucking, LLC which

delivers agricultural products from rail to end users and from producers to rail.

Q. PLEASE EXPLAIN THE BUSINESS OF VEAL FARMS TRANSLOAD, LLC AND REVIVE MILLING.

A. Veal Farms Transload buys, stores, and loads to rail grains and other agricultural products for its own and its customers' uses. Revive Milling buys and processes grain into food ingredients, such, as starches, and then sells and transports those refined ingredients by rail to food producers.

Veal Farms Transload is the only certified organic transload facility registered with the Food and Drug Administration ("FDA"). Similarly, Revive Millings is the only facility in the State of Georgia certified by the FDA as a non-GMO and organic milling facility. We transport from our facilities in Tennille, Georgia by rail and truck agricultural products from an approximately 150-mile radius around Tennille.

Q. HOW DO YOU INTEND TO USE THE HANSON SPUR?

A. The Hanson Spur is a unique opportunity for Veal Farms Transload, Revive Milling, our customers, and farmers through east middle Georgia to access markets that are presently unavailable to them due to the cost of transportation and/or to reduce the cost to end users and consumers that must be passed through due to unnecessarily high transportation costs. CSXT's rail system serves markets that Norfolk Southern does not serve directly, and vice versa.

Presently, Veal Farms Transload and Revive Millings only ship agricultural products on Norfolk Southern's system because we do not have direct access to the CSXT systems. Our facilities are only connected to the Norfolk Southern system, via Sandersville Railroad's mainline in Washington County, Georgia. Because the volume of grain and other agricultural good is not sufficient to justify a stop for less than a unit train, it is not feasible for Norfolk Southern and CSXT to serve grain elevators and other agricultural transload facilities throughout the State of Georgia. And, there is no shortline railroad connected to the CSXT system in our area of east middle Georgia.

To ship agricultural products by rail on the CSXT rail system, we must first ship on Norfolk Southern's rail system and then switch to CSXT's rail system. Switching between railroads carries a substantial cost charged by railroads that either makes transport by rail uneconomic or drives up the cost of consumer products. In many instances, the added switching costs make rural east middle Georgia farms uncompetitive in certain markets as compared to farmers in other areas that have direct access to the CSXT system, such as, farmers in neighboring Alabama, Tennessee, and North Carolina.

For example, there are various agricultural products with markets in the New England area that can be and are currently grown in Georgia. Those products, include, but not are limited to, soft red winter wheat, organic corn, and soybeans. However, those products are not typically transported from east middle Georgia to those markets because of the lack of viable rail access.

The Hanson Spur also will allow us to deliver High Erucic Acid Rapeseed ("HEAR") to the only crush facility for HEAR in the country which is in Trenton, Kentucky, and CSXT is the railroad directly servicing that facility. HEAR is processed at that crush facility to produce high erucic acid which is an essential ingredient in biodegradable plastics. Veal Farms Transload is the largest supplier in Georgia, Alabama, and the Carolinas of HEAR to that facility.

HEAR can be grown in Kentucky and other states near the HEAR crush facility; however, global warming and global weather changes have increased extreme weather events. Those extreme cold events have resulted in substantial failures of HEAR crops in states to the north of Georgia. Consequently, the demand for Georgia-grown HEAR is increasing rapidly.

Currently, Georgia-grown HEAR must be trucked to Trenton, Kentucy because it is less expensive to ship HEAR by truck than to pay the cost to originate shipments of HEAR on the NS system and switch them to the CSXT system. The Hanson Spur will drive down the cost of and proliferate biodegradable plastics throughout the country by making them cheaper to produce and, therefore, competitive with traditional, non-biodegradable plastic products.

Additionally, the Hanson Spur also will allow us to deliver by rail non-GMO starches to new markets, served directly by the CSXT rail system, in Ohio, Iowa, and Arkansas. These facilities will use these non-GMO starches to produce pastas, cookies, crackers, tortillas, and other similar food products.

Q. WILL THE HANSON SPUR BENEFIT THE LOCAL ECONOMY, ENVIRONMENT, AND INFRASTRUCTURE?

A. Yes, for the reasons I've discussed earlier in my testimony, the Hanson Spur will reduce truck volume throughout the State of Georgia and Hancock County, Georgia. The Hanson Spur will also provide local farmers more cost-effective access to end users and other consumers of their products, thereby increasing the demand for Georgia-grown crops. We believe the Hanson Spur will create positive environmental change by decreasing the cost to produce biodegradable plastics and by making them more competitive in the marketplace. Sandersville Railroad, as the only shortline railroad serving agriculture in east middle Georgia, is the only company that can provide this service and help Hancock County, Washington County, and the rest of our customers throughout east middle Georgia create clean economic growth and prosperity in Georgia's heartland.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes.

BEFORE THE
GEORGIA PUBLIC SERVICE COMMISSION

In Re: Sandersville Railroad Company's Petition For Approval to Acquire Real Estate by Condemnation	**Docket No.: 45045**

CERTIFICATE OF SERVICE

I certify that I have this day served a copy of the foregoing **Direct Testimony of Cale Veal** upon the following persons by causing electronic copies of the same to be transmitted to each party that has supplied a valid email address and upon all other parties via first class mail with adequate postage affixed thereon and deposited in the United States Mail addressed as follows:

Sallie Tanner
Executive Secretary
Georgia Public Service Comm.
244 Washington Street, SW
Atlanta, GA 30334
stanner@psc.state.ga.us

Rob Trokey
Director, Electric Unit
Georgia Public Service Comm.
244 Washington Street, SW
Atlanta, GA 30334
rtrokey@psc.state.ga.us

Nancy G. Gibson
Georgia Public Service Comm.
244 Washington Street, SW
Atlanta, GA 30334
ngibson@psc.state.ga.us

Jamie Rush
Malissa Williams
Miriam Gutman
The Southern Poverty Law Center
150 E. Ponce de Leon Avenue
Suite 340
Decatur, Georgia 30030
jamie.rush@splccenter.org
malissa.williams@splccenter.org
miriam.gutman@splccenter.org

Robert Highsmith
Laura Flint
HOLLAND & KNIGHT LLP
1180 West Peachtree Street NW
Suite 1800
Atlanta, Georgia 30309
robert.highsmith@hklaw.com
laura.flint@hklaw.com

Don and Sally Garrett
1335 Shoals Road
Sparta, Georgia 31087
sallygarrett45@yahoo.com

Blaine and Diane Smith
823 Chatsworth Drive
Accokeek, MD 20607
Wbs10408@aol.com
hdianesmith@gmail.com

Grant E. McBride
Smith Welch Webb & White
2200 Keys Ferry Court
McDonogh, GA 30523
gmcbride@smithwelchlaw.com

Elizabeth L. Sanz
Renee D. Flaherty
Institute for Justice
901 N. Glebe Road
Suite 900
Arlington, Virginia 22203
bsanz@ij.org
rflaherty@ij.org

Marvin and Pat Smith
15500 Avery Road
Rockville, MD 20855
marvin.smithjr@yahoo.com
pjsmax@hotmail.com

Thomas Ahmad Lee
821 Brookriver Drive, Suite 246
Dallas, Texas 75247
tlee1827@yahoo.com

Joel Reed
Kathy Reed
5 Dogwood Lane
Chatsworth, Georgia 30705
Jbreed48@yahoo.com

No Railroad in Our Community Coalition
c/o Janet P. Smith and David Mark Smith
929 Shoals Road
Sparta, Georgia 31087

William R. Maurer
Institute for Justice
600 University Street
Suite 1730
Seattle, WA 98101
wmaurer@ij.org

Sally G. Wells
140 Dunn Road
Sparta, Georgia 31087
sllywells@yahoo.com

Herus Ellison Garrett
111 Brookwood Court
Eatonton, Georgia 31024

Robert B. Baker
Robert B. Baker, PC
2480 Briarcliff Road, NE
Suite 6
Atlanta, Georgia 30329
bobby@robertbbaker.com

Verne Kennedy Hollis
373 Hamilton St.
Sparta, Georgia 31087
vkenn41@yahoo.com

Leo Briggs
Georgia Briggs
4500 Hidden Stream Drive
Loganville, Georgia 30052
lgbriggs@earthlink.net

Donna N. Garrett
154 Lakeview Drive
Sparta, Georgia 31087
ngarrett64@yahoo.com

This 21st day of July 2023.



L. Craig Dowdy
Georgia Bar No. 227810
Steven L. Jones
Georgia Bar No. 639038

Counsel for Petitioner Sandersville Railroad Company

TAYLOR ENGLISH DUMA LLP
1600 Parkwood Circle, Suite 200
Atlanta, GA 30339
Telephone: (770) 434-6868
Facsimile: (770) 434-7376
cdowdy@taylorenglish.com
sjones@taylorenglish.com