**GEORGIA PUBLIC SERVICE COMMISSION**

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

# REBUTTAL TESTIMONY OF SCOTT DICKSON

September 28, 2023


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**Q. PLEASE STATE YOUR NAME, TITLE, AND BUSINESS ADDRESS.**

A. My name is Scott Dickson, and I am the President of Heidelberg Materials ("HM") Southeast Region. HM produces and ships cement and cementitious products, construction aggregates (i.e., crushed stone, sand, and gravel), and concrete across the Southeast Region. HM's Southeast Region covers the 5 states of Alabama, Florida, Georgia, North Carolina, and South Carolina. I am a Mechanical Engineer. I received my bachelor's degree in applied science in mechanical engineering from the University of British Columbia, in 1990, and an Executive Masters of Business Administration from Simon Fraser University in 1999. I was registered as a Professional Engineer in Canada but have since allowed that registration to lapse as, today, my job is principally focused on general management. My business address is 3237 Satellite Boulevard, Building 300, Suite 210, Duluth, Georgia 30096.

I have over 30 years of experience in the production and manufacture of heavy construction materials—namely, cement, supplemental cementitious materials, aggregates, and ready-mix concrete.

**Q. HAVE YOU PREVIOUSLY TESTIFIED IN THIS PROCEEDING?**

A. Yes, I testified on behalf of Sandersville Railroad Company in the Company's direct case, via written direct testimony pre-filed on July 21, 2023.

**Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?**

A. The purpose of my testimony is to show why a transload facility from truck

to rail is a far less desirable long term, and likely unviable, transportation option for HM. First, there is an additional cost associated with transloading to rail. Second, transloading reduces our ability to reach markets because it adds additional logistic components: loading and unloading materials to and from trucks and the act of trucking the material itself. That is not a long-term viable option to access the markets that CSXT exclusively serves and can serve more efficiently than trucks. In order to viably reach these markets, direct rail access to the Sparta Quarry is vital.

I have reviewed the financial model we used on the Sparta rail project. We proposed to transload for one year to help seed the future markets, likely while the Hanson Spur (the "Spur") is under construction, but it was never our intention to do this on a full-time basis. Instead, we hoped to use temporary transloading to develop the markets that would be served by all-rail once the Hanson Spur was completed.

The principal point I want to make is that we cannot develop the full capacity of our Sparta Quarry or develop as many markets if we are limited to trucking. However, even without the rail connection, our business is expanding and we will be moving many more tons via local roads if the Spur is not built than if the Spur is built.

The second key point is that transloading to CSXT at Sparta is not an effective alternative for most of our long-term business that we would move over the Hanson Spur. This is because, among other things,

(1) Transloading adds extra costs that will keep us out of markets best served by all-rail transportation;

(2) Where direct rail service is not available, trucking directly is more efficient than transloading;

(3) The space available for transloading near the Camak line is not sufficient to accommodate the full volumes we could move over the Spur; and

(4) HM is heavily focused on reducing its CO2 emissions. Rail is a far more effective mode of transport versus truck when evaluating CO2 emissions.

Therefore, direct rail service over the Spur to CSXT is the only way for Sandersville Railroad to efficiently provide new channels of trade to markets best served by rail.

Without the Spur, large volumes of HM products would still be served, just less efficiently, by truck. Accordingly, if the Spur is built, it will take trucks off the road in large volumes, in addition to carrying volumes that would not move but for the Hanson Spur. With the Hanson Spur, we would be able to supply additional markets from the Hanson Quarry.

**Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?**

A. Yes.

**BEFORE THE**
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## CERTIFICATE OF SERVICE

I certify that I have this day served a copy of the foregoing **REBUTTAL TESTIMONY OF SCOTT DICKSON** 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:

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This 28th day of September 2023.



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