

Attachment 1



SURFACE TRANSPORTATION BOARD
Washington, DC 20423

Office of Environmental Analysis

February 3, 2012

Mr. Daniel Valenzuela
Eagle Pass City Manager
100 S. Monroe
Eagle Pass, TX 78852

Re: STB Docket No. FD 35554, Eagle Pass Railroad, LLC – Proposed Rail Line
Construction and Operation – Maverick County, Tex.

Dear Mr. Valenzuela:

The Eagle Pass Railroad, LLC (EPRR or Applicant) intends to file a petition with the Surface Transportation Board (Board) pursuant to 49 U.S.C. § 10502 for authority to construct and operate a new rail line in Maverick County, Texas. Pursuant to the National Environmental Policy Act (NEPA) and the Board's environmental rules, the Board's Office of Environmental Analysis (OEA) will prepare an environmental document that evaluates the potential environmental impacts of the proposed project. The purpose of this letter is to advise you of the proposed rail line, request information from your agency on the resources under your jurisdiction that could be affected by the proposed project, and identify permits and approvals that could be required of the Applicant.

Project Background

EPRR's proposed rail line would be constructed between points near Eagle Pass, Texas and Piedras Negras, Mexico. At its northern terminus, the line would intersect with an existing Union Pacific Railroad Company line. Under the Applicant's preferred alternative, the proposed rail line would pass north of the Eagle Pass city center and cross U.S. Route 277. The EPRR rail line would also traverse a new international rail bridge to be built by EPRR across the Rio Grande River.

In Mexico, the EPRR rail line would connect at its southern terminus near Mexico Highway 57 at Piedras Negras with another rail line to be constructed in Mexico, which would in turn connect with the existing Mexican rail network. Approximately 2 trains per day (one loaded and one empty) would use the line. The line would operate 7 days per week. The Board's jurisdiction over the proposed rail line would end at the border between the U.S. and Mexico.

The U.S. portion of the proposed rail line would cross mostly rangeland and agricultural land. The U.S. routes considered by the Applicant vary in length from approximately 4 to 8

Note: Mayor & Council
received identical information. BY: _____



miles. The attached map shows the Applicant's preferred alternative (Corridor 5) for the proposed rail line, as well as 4 other corridors or alternatives considered by the Applicant. During the environmental review for this proposal, OEA will determine whether other reasonable and feasible alternatives exist that should be assessed in the NEPA document.

The proposed rail line would be used to transport coal from a proposed mine near Eagle Pass, Texas and the planned northern terminus of the proposed rail line, to a coal-fired power plant in Mexico. The coal mine would be known as the Dos Republicas Mine and would be operated by Dos Republicas Coal Partnership (DRCP). DRCP would also be the owner of EPRR. In addition, EPRR has identified a need for rail transport of raw materials necessary for Mexico's metallurgical industry from the U.S. to Mexico, as well as a need to transport beer and beer-related products from a new brewery in northern Mexico to the U.S. Any northbound EPRR traffic would be interchanged with the Union Pacific Railroad Company at the northern terminus of EPRR's proposed rail line.

Environmental Review Process

This letter begins the process by which OEA will assess the potential environmental impacts of constructing and operating the proposed rail line. The process will include the preparation of a draft and final environmental document, which for rail construction proposals is normally an environmental impact statement (EIS), as specified in the Board's environmental rules at 49 C.F.R. § 1105.6(a). Your response to this inquiry will assist OEA in verifying that an EIS is appropriate for this particular case (alternatively, an environmental assessment, or EA, could be prepared). In addition to your response, OEA will complete an independent review of an Applicant-prepared environmental report on its 5 alternative (expected to be delivered to OEA this winter) prior to making the EIS decision. OEA will also conduct a site visit to the project area early in the environmental review process.

The draft environmental document will be distributed to agencies and the public for review and comment pursuant to the requirements of NEPA and Board's environmental rules. The NEPA document will provide the Board's independent environmental review of the build alternatives and the no-build or no-action alternative. Furthermore, the alternatives to be considered in the environmental document will be determined by OEA (in consultation with any cooperating agencies), may not include all 5 of the Applicant's alternatives, and, as noted above, may include new alternatives developed by OEA. Our agency's process will conclude with the Board's decision on whether to authorize the proposed rail line. In reaching this decision, the Board will consider the entire environmental record, including all public comments, the draft and final environmental documents, and OEA's recommended environmental mitigation.

The Board will be the lead Federal agency in the preparation of the NEPA document. Several agencies with jurisdiction by law or special expertise may assist the Board in the NEPA process as cooperating agencies. These agencies could include the U.S. Department of State, U.S. Coast Guard and U.S. Army Corps of Engineers. Because of the proposed new international crossing, EPRR would need to obtain a Presidential Permit from the U.S. Department of State. EPRR would also require approval by the U.S. Coast Guard under the International Bridge Act. Additional permits from the U.S. Army Corps of Engineers could also

be required under Section 404 of the Clean Water Act and Section 10 of the Rivers and Harbors Act.

Request for Comments

We would like to hear from you whether any resources under your jurisdiction could be affected by the proposed project, and whether this proposal would require permitting or approval requirements from your agency. Please send your comments to:

Dave Navecky
Surface Transportation Board
395 E Street, SW
Washington, DC 20423-0001
Attn: Docket No. FD 35554

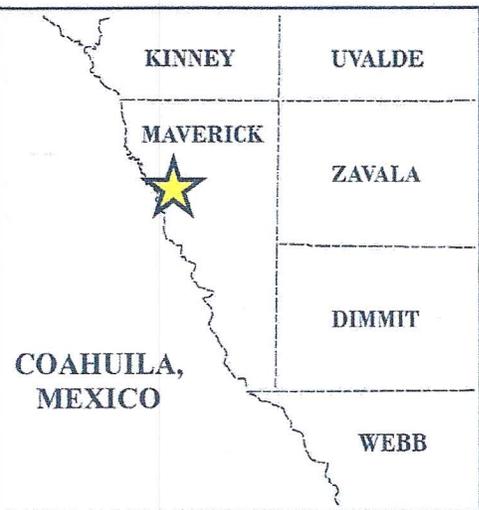
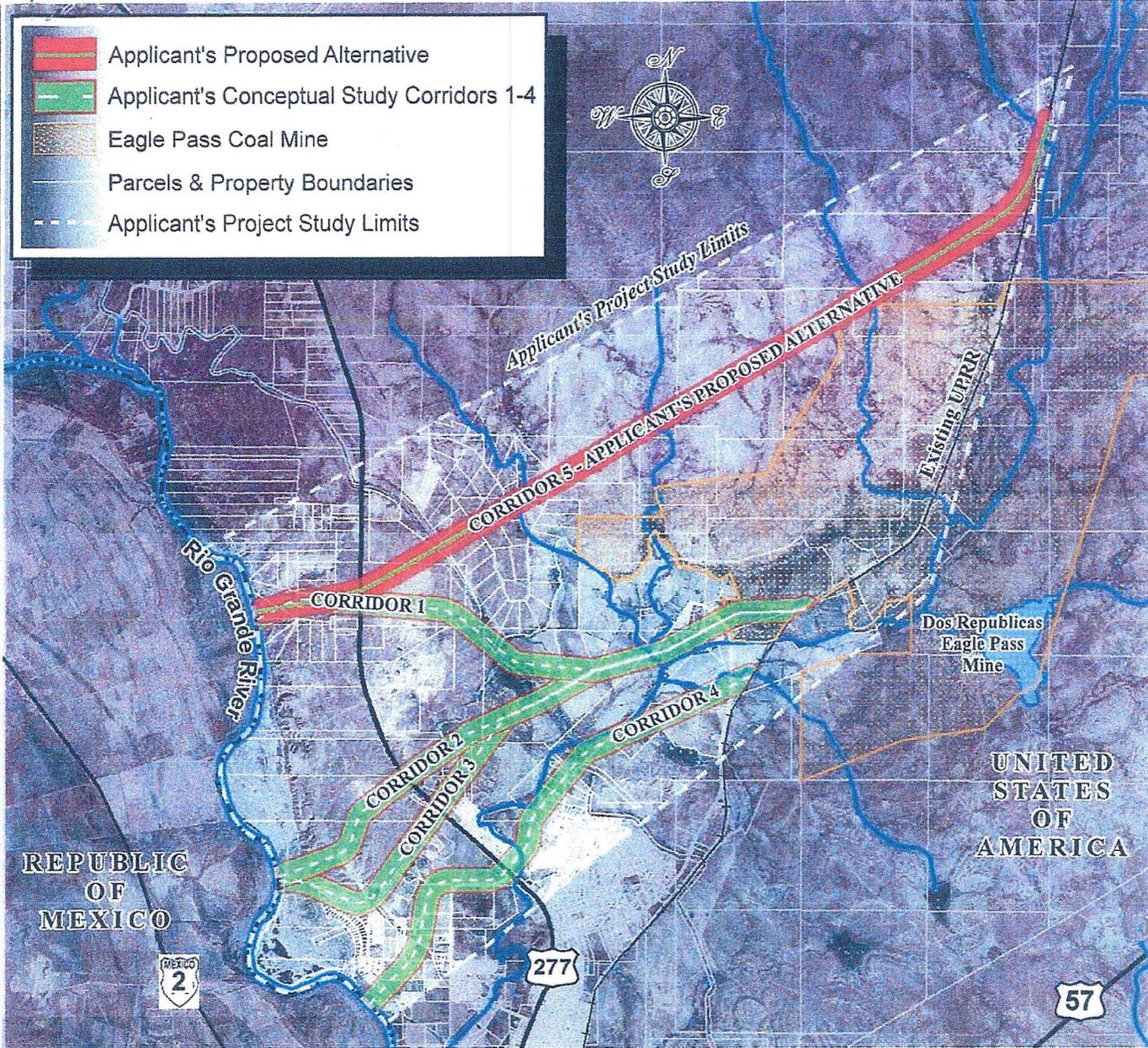
You may also submit comments electronically through the Board's Web site at www.stb.dot.gov by clicking on the "E-Filing" quick link on the right-hand side of the home page and then selecting "Environmental Comments." Brief comments may be typed within the comment field provided, or alternatively, you may attach comments as Microsoft Word or Adobe Acrobat files. We request your response by **March 5, 2012**.

We look forward to working with you on this proposed project. If you have any questions, please do not hesitate to contact me or Dave Navecky of my staff at 202-245-0294.

Sincerely,



Victoria Rutson
Director
Office of Environmental Analysis

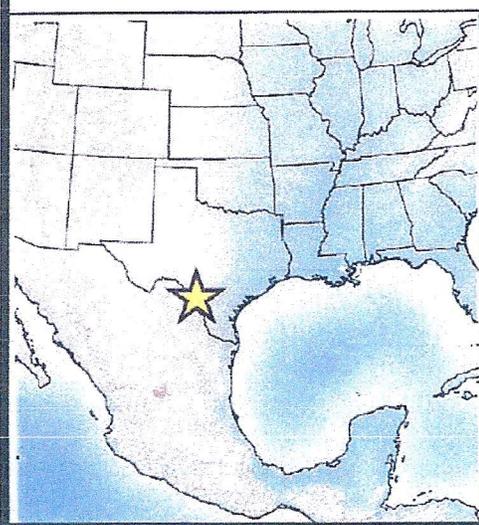
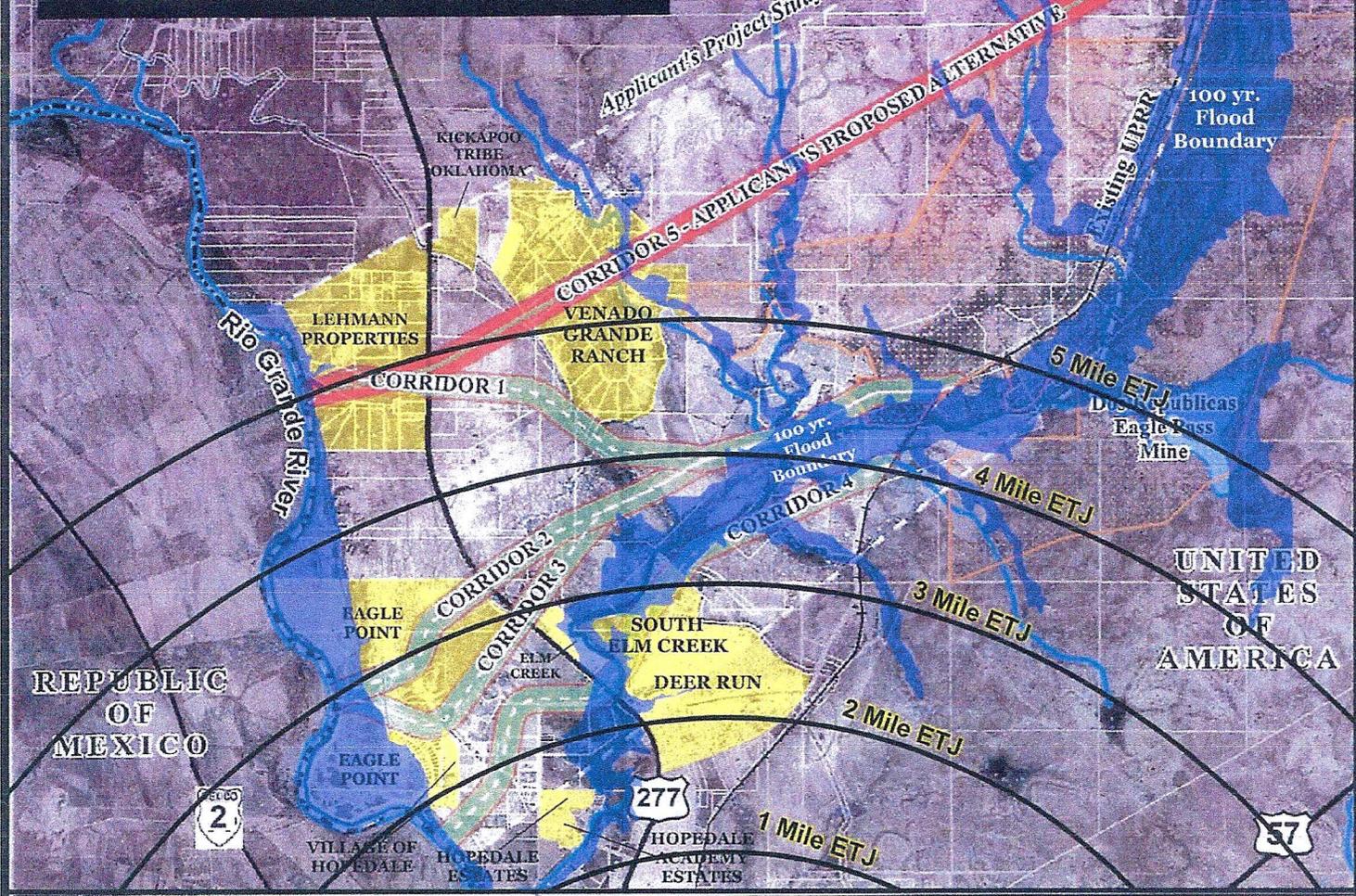


APPLICANT'S STUDIED ALTERNATIVES

PROPOSED EAGLE PASS RAILROAD LINE
STB DOCKET NO. FD 35554

Attachment 2

-  Applicant's Proposed Alternative
-  Applicant's Conceptual Study Corridors 1-4
-  Eagle Pass Coal Mine
-  Parcels & Property Boundaries
-  Applicant's Project Study Limits



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PROPOSED EAGLE PASS RAILROAD LINE
STB DOCKET NO. FD 35554