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SERVICE DATE - JUNE 10, 1998

SURFACE TRANSPORTATION BOARD

STB Finance Docket No. 33407, Dakota, Minnesota & Eastern Railroad Corporation -- Construction and Operation of New Rail Facilities in Campbell, Converse, Niobrara, and Weston Counties, Wyoming, Custer, Fall River, Jackson, and Pennington Counties, South Dakota, and Blue Earth, Nicollet, and Steele Counties, Minnesota.

Agency: Surface Transportation Board

Action: Notice of Availability of Draft Scope of Study for the Environmental Impact Statement (EIS) and Request for Comments.

Summary: On February 20, 1998, the Dakota, Minnesota & Eastern Railroad Corporation (DM&E) filed an application with the Surface Transportation Board (Board) for authority to construct and operate new rail line facilities in east-central Wyoming, southwest South Dakota, and south-central Minnesota. The project involves a total new construction of 280.9 miles of rail line. Additionally, DM&E proposes to rebuild 597.8 miles of existing rail line along its current system to standards acceptable for operation of unit coal trains. Because the construction and operation of this project has the potential to result in significant environmental impact, the Board's Section of Environmental Analysis (SEA) has determined that the preparation of an Environmental Impact Statement (EIS) is appropriate. SEA is holding agency and public scoping meetings as part of the EIS process, as discussed in the Notice of Intent to Prepare an EIS published by the Board on March 27, 1998. As part of the scoping process, the SEA has developed a draft Scope of Study for the EIS.

Dates: Written comments on the draft Scope of Study are due July 10, 1998.

Filing Environmental Comments: Interested persons and agencies are invited to participate in the EIS scoping process. A signed original and 10 copies of comments should be submitted to:

Office of the Secretary
Case Control Unit
STB Finance Docket No. 33407
Surface Transportation Board
1925 K Street, NW
Washington, D.C. 20423-0001

To ensure proper handling of your comments, you must mark your submission:

Attention: Elaine K. Kaiser
Chief, Section of Environmental Analysis
Environmental Filing

For Further Information Contact: Ms. Victoria Rutson, SEA Project Manager, Powder River

Basin Expansion Project, (202) 565-1545 or Mr. Steve Thornhill of Burns & McDonnell, SEA's third party contractor, at (816) 822-3851.

SUPPLEMENTARY INFORMATION

Draft Scope of Study for the EIS

Proposed Action and Alternatives

The proposed action, referred to as the Powder River Basin Expansion Project, would involve the construction and operation of 280.9 miles of new rail line and the rebuilding of 597.8 miles of existing rail line by the Dakota, Minnesota & Eastern Railroad Corporation (DM&E), Brookings, South Dakota, as described in the February 20, 1998 application for construction and operation authority for the project filed by DM&E and in the March 27, 1998 Notice of Intent to Prepare an EIS published in the Federal Register by the Board.

Consistent with its jurisdiction under the ICC Termination Act of 1995, Pub. L. No. 104-88, 109 Stat. 803 (1995), the Board intends to conduct an environmental analysis of the new construction and the increase in operations over DM&E's existing system. The EIS will not consider any proposed construction or improvements to DM&E's existing system, but will address the anticipated impacts of the projected increases in train traffic over the entire existing system.

The reasonable and feasible alternatives that will be evaluated in the EIS are (1) the no-action alternative (2) construction of the project along the identified preferred alignments in Wyoming and South Dakota for the mainline extension and in Minnesota for the Mankato Bypass and Owatonna connecting track and (3) construction of the project along each of the identified alternative alignments in Wyoming and South Dakota for the mainline extension and in Minnesota for the Mankato Bypass and Owatonna connecting track.

Environmental Impact Analysis

Proposed New Construction

Analysis in the EIS will address the proposed activities associated with the construction and operation of new rail facilities and their potential environmental impacts, as appropriate. The scope of the analysis will include the following activities:

1. Proposed construction of new rail mainline extension to access coal mines south of Gillette, Wyoming.
2. Proposed construction of new rail mainline to bypass DM&E's existing trackage rights on Union Pacific Railroad in Mankato, Minnesota.

3. Proposed construction of new rail line connection between DM&E and I&M Rail Link south of Owatonna, Minnesota.

Impact Categories

The EIS will address potential impacts from the proposed construction and operation of new rail facilities on the human and natural environment. Impacts areas addressed will include the categories of land use, biological resources, water resources, geology and soils, air quality, noise, energy resources, socioeconomics as they relate to physical changes in the environment, safety, transportation systems, cultural and historic resources, recreation, aesthetics, and environmental justice. The EIS will include a discussion of each of these categories as they currently exist in the project area and address the potential impacts from the proposed project on each category as described below:

1. Land Use

The EIS will:

- A. Describe existing land use patterns within the project area and identify those land uses and the amounts of each potentially impacted by new rail line construction.
- B. Describe the potential impacts associated with the proposed new rail line construction to agricultural lands including cropland, pastureland, rangeland, grassland, woodland, developed land, and any other land uses identified within the project area. Such potential impacts may include impacts to farming/ranching activities, introduction of noxious weeds, fire hazard, incompatibility with existing land uses, relocation of residences or businesses, and conversion of land to railroad uses.
- C. Propose mitigative measures to minimize or eliminate potential project impacts to land use.

2. Biological Resources

The EIS will:

- A. Describe the existing biological resources within the project area including vegetative communities, wildlife and fisheries, and federally threatened or endangered species and the potential impacts to these resources resultant from construction and operation of new rail line.
- B. Describe the wildlife sanctuaries, refuges, and national or state parks, forests, or grasslands within the project area and the potential impacts to these resources resultant from construction and operation of new rail line.

- C. Propose mitigative measures to minimize or eliminate potential project impacts to biological resources.

3. Water Resources

The EIS will:

- A. Describe the existing surface and groundwater resources within the project area, including lakes, rivers, streams, stock ponds, wetlands, and floodplains and the potential impacts on these resources resultant from construction and operation of new rail line.
- B. Describe the permitting requirements for the proposed new rail line construction in regard to wetlands, stream crossings, water quality, and erosion control.
- C. Propose mitigative measures to minimize or eliminate potential project impacts to water resources.

4. Geology and Soils

The EIS will:

- A. Describe the geology and soils found within the project area, including unique or problematic geologic formations or soils and prime farmland soils.
- B. Describe measures employed to avoid or construct through unique or problematic geologic formations or soils.
- C. Describe the impacts of new rail line construction on prime farmland soils.
- D. Propose mitigative measures to minimize or eliminate potential project impacts to geology and soils.

5. Air Quality

The EIS will:

- A. Evaluate rail air emissions on new rail that exceed the Board's environmental thresholds in 49 CFR 1105.7(e)(5)(I), in an air quality attainment or maintenance area as designated under the Clean Air Act . The threshold anticipated to apply to this project is eight trains per day on any segment of new rail line.
- B. Evaluate rail air emissions on new rail line, if the proposed project affects a Class I or non-attainment area as designated under the Clean Air Act. The threshold for

Class I and non-attainment areas anticipated to apply to this project is 3 trains per day or more.

- C. Evaluate the potential air quality benefits associated with the increased availability and utilization of lower sulfur Powder River Basin coal.
- D. Discuss the potential air emissions increases from vehicle delays at new grade rail crossings where the rail crossing is projected to experience an increase in rail traffic over the thresholds described above for attainment, maintenance, Class I, and non-attainment areas and that have an average daily vehicle traffic level of over 5,000. Emissions from vehicle delays at new grade rail crossings will be factored into the emissions estimates for the affected area, as appropriate.
- E. Describe the potential air quality impacts resulting during new rail line construction activities.
- F. Propose mitigative measures to minimize or eliminate potential project impacts to air quality during new rail line construction.

6. Noise

The EIS will:

- A. Describe the potential noise impacts during new rail line construction.
- B. Describe potential noise impacts of new rail line operation for those areas that exceed the Board's environmental threshold of eight or more trains per day.
- C. Propose mitigative measures to minimize or eliminate potential project impacts to noise receptors.

7. Energy Resources

The EIS will:

- A. Describe the potential environmental impact of the new rail line on the transportation of energy resources and recyclable commodities.
- B. Describe the environmental impacts of the new rail line on utilization of the nations energy resources.

8. Socioeconomics

The EIS will:

- A. Describe the potential environmental impacts to residences, residential areas, and

communities within the project area as a result of new rail line construction and operation activities.

- B. Describe the potential environmental impacts to commercial and industrial development in the project area as a result of new rail line construction and operation.
- C. Propose mitigative measures to minimize or eliminate potential adverse project impacts to social and economic resources.

9. Safety

The EIS will:

- A. Describe rail/highway grade crossing safety factors at new grade crossings, as appropriate.
- B. Describe the potential for increased probability of train accidents, derailments, and train/vehicular accidents at new grade crossings, as appropriate.
- C. Describe the potential for disruption and delays to the movement of emergency vehicles due to new rail line construction and operation.
- D. Propose mitigative measures to minimize or eliminate potential adverse project impacts to safety.

10. Transportation Systems

The EIS will describe the potential effects of new rail line construction and operation on the existing transportation network in the project area including:

- (1) impacts to other rail carriers' operations and
- (2) vehicular delays at new grade crossings for those crossings having average daily vehicle traffic of 5,000 or more.

11. Cultural and Historic Resources

The EIS will:

- A. Describe the potential impacts to historic structures or districts previously recorded and determined potentially eligible, eligible, or listed on the National Register of Historic Places within or immediately adjacent to the right-of-way for the preferred and alternative construction alignments.

- B. Describe the potential impacts to archaeological sites previously recorded and either listed as unevaluated or determined potentially eligible, eligible, or listed on the National Register of Historic Places within the right-of-way for the preferred and alternative construction alignments.
- C. Describe the potential impacts to historic structures or districts identified by ground survey and determined potentially eligible or eligible for listing on the National Register of Historic Places within or immediately adjacent to the right-of-way for the preferred construction alignment.
- D. Describe the potential impacts to archaeological sites identified by ground survey and determined potentially eligible or eligible for listing on the National Register of Historic Places within the right-of-way for the preferred construction alignment.
- E. Describe the potential general impacts to paleontological resources in the project area due to project construction, if necessary and required.
- F. Describe the potential impacts to paleontological resources identified by ground survey of the preferred construction alternative alignment on federal lands, if necessary and required.

12. Recreation

The EIS will describe the potential impacts of the proposed new rail line construction and operation on the recreational opportunities provided in the project area.

13. Aesthetics

The EIS will:

- A. Describe the potential impacts of the proposed new rail line construction on any areas identified or determined to be of high visual quality.
- B. Describe the potential impacts of the proposed new rail line construction on any designated wilderness areas.
- C. Describe the potential impacts of the proposed new rail line construction on any waterways considered for or designated as wild and scenic.

14. Environmental Justice

The EIS will:

- A. Describe the demographics in the project area and the immediate vicinity of the

proposed new construction, as possible, including communities potentially impacted by the construction and operation of the proposed new rail line construction.

- B. Evaluate whether new rail line construction or operation activities would have a disproportionately high adverse impact on any minority or low-income groups.

Increased Traffic on Existing DM&E System

Analysis in the EIS will address the potential environmental impacts associated with the increased level of rail traffic on DM&E's existing rail system due to operation of the proposed new rail facilities. The scope of the analysis will include the following activities:

- 1. Analysis of anticipated changes in the levels of rail traffic along the existing DM&E system to be rebuilt, in association with proposed new construction projects, to facilitate coal transportation. Those segments of rail line that meet or exceed the Board's thresholds for environmental review, as defined in 49 CFR 1105.7, will be evaluated. In cases where the Board's environmental rules do not provide a threshold, the EIS will use eight trains per day or more as the threshold for environmental evaluation.

Impact Categories

The EIS will address potential impacts from the proposed increases in trains operating over existing rail facilities on the human environment. Impacts areas addressed will include the categories of air quality, noise, energy resources, safety, transportation systems, and environmental justice. The EIS will include a discussion of each of these categories as they currently exist in the project area and address the potential impacts from the proposed operational impacts of the project on each category as described below:

1. Air Quality

The EIS will:

- A. Evaluate rail air emissions for existing rail lines that exceed the Board's environmental thresholds in 49 CFR 1105.7(e)(5)(I), in an air quality attainment or maintenance area as designated under the Clean Air Act . The thresholds anticipated to apply to this project include:
 - (1) A 100 percent increase in rail traffic on any segment of DM&E's existing system.
 - (2) An increase of eight trains per day on any segment of rail line affected by the proposed construction.

- B. Evaluate rail air emissions for existing rail lines, if the proposed project affects a Class I or non-attainment area as designated under the Clean Air Act. Thresholds for Class I and non-attainment areas anticipated to apply to this project are as follows:
 - (1) An increase in rail traffic of 50 percent or more or
 - (2) An increase of 3 trains per day or more.
- C. Discuss the net increase in emissions from increased railroad operations associated with the proposed operations over the existing DM&E system.
- D. Discuss the potential air emissions increases from vehicle delays at existing rail crossings where the rail crossing is projected to experience an increase in rail traffic over the thresholds described above for attainment, maintenance, Class I, and non-attainment areas and that have an average daily vehicle traffic level of over 5,000. Emissions from vehicle delays at existing rail crossings will be factored into the emissions estimates for the affected area.

2. Noise

The EIS will:

- A. Describe potential noise impacts of project operation on existing DM&E rail lines that exceed the Board's environmental thresholds of a 100 percent or more increase in rail traffic or an increase of 8 or more trains per day.
- B. Identify whether proposed train operations on DM&E's existing rail lines will cause:
 - (1) An increase in noise levels of three decibels Ldn or more;
or
 - (2) An increase to a noise level of 65 decibels Ldn or greater. If so, an estimate of the number of sensitive receptors (e.g., schools, libraries, churches, residences) within such areas will be made based on site visits to those areas potentially affected.

3. Energy Resources

The EIS will:

- A. Describe the potential environmental impact on transportation of energy resources and recyclable commodities.
- B. Describe the environmental impacts from rail operations over the existing DM&E rail system on utilization of the nation's energy resources.

4. Safety

The EIS will:

- A. Describe rail/highway grade crossing safety factors for existing grade crossings, as appropriate.
- B. Describe the potential for increased probability of train accidents, derailments, and train/vehicular accidents along the existing DM&E system, as appropriate.
- C. Describe the potential for disruption and delays to the movement of emergency vehicles at existing crossings due to rail operations on the existing DM&E system.
- D. Describe the changes at existing grade crosses implemented to increase safety at existing grade crossings due to increased rail operations on the DM&E system. Such changes would include signalization upgrades and conversion of grade crossings to grade separated crossings.
- E. Propose mitigative measures to minimize or eliminate potential adverse project impacts to safety.

5. Transportation Systems

The EIS will:

- A. Describe the potential effects of project construction and operation on the existing transportation network in the project area including:
 - (1) impacts to other rail carriers' operations and
 - (2) vehicular delays at new grade crossings for those crossings having average daily vehicle traffic of 5,000 or more.
- B. Describe the effects of the proposed construction and subsequent operation of the proposed project throughout DM&E's existing system.

By the Board, Elaine K. Kaiser, Chief, Section of Environmental Analysis.

Vernon A. Williams
Secretary