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SEA

SERVICE DATE – OCTOBER 17, 2008

SURFACE TRANSPORTATION BOARD
WASHINGTON, DC 20423

ENVIRONMENTAL ASSESSMENT

STB Docket No. AB-33 (Sub No. 274X)

**Union Pacific Railroad Company – Abandonment Exemption –
in Pottawattamie County, IA**

STB Docket No. AB-414 (Sub No. 4X)

**Iowa Interstate Railroad, Ltd. – Discontinuance of Service Exemption –
in Pottawattamie County, IA**

BACKGROUND

In this proceeding, Union Pacific Railroad Company (UPRR) and Iowa Interstate Railroad, Ltd. (IAIS) jointly filed a petition (Applicants) of exemption under 49 U.S.C. 10502 from the prior approval requirements of 49 U.S.C. 10903 to permit: (1) UPRR to abandon and discontinue service over its line of railroad known as the Great Western Industrial Lead (UPRR Line) from milepost 503.6 to milepost 504.05, a distance of approximately 0.45 miles, in Pottawattamie County, IA; (2) IAIS to discontinue trackage rights over the UPRR line; and (3) UPRR to discontinue its overhead trackage rights over IAIS' line of railroad known as the Main Line (IAIS line) from milepost 486.8 to milepost 488.0, a distance of approximately 1.2 miles, in Pottawattamie County, IA. According to the Applicants, the IAIS line connects to the UP line via a short industrial track, which is available to both UP and IAIS. The Applicants state that IAIS would continue to use the UP line to serve Red Giant Oil Company (Red Giant) and Midwest Walnut Company (MWC), the only shippers on the line. The Applicants state that, if the abandonment is approved, that the UPRR line would become part of Red Giant's private property and an industrial track. The UPRR line traverses U.S. Postal Service Zip Code 51503 and the IAIS line traverses U.S. Postal Zip Codes 51501 and 50513. A map depicting the proposed abandonment and discontinuance in relationship to the area served is appended to this Environmental Assessment (EA).

ENVIRONMENTAL REVIEW

The Applicants have submitted an environmental report that concludes the quality of the human environment will not be affected significantly as a result of the abandonment or any post-abandonment activities, including salvage and disposition of the right-of-way. The Applicants served the environmental report on a number of appropriate Federal, state, and local agencies as required by the Surface Transportation Board's (Board) environmental rules [49 CFR

1105.7(b)]. The Board's Section of Environmental Analysis (SEA) has reviewed and investigated the record in this proceeding.

Diversion of Traffic

As explained above, the Applicants seek approval for three actions: (1) UPRR to abandon and discontinue service over its line of railroad known as the Great Western Industrial Lead (UPRR line) from milepost 503.6 to milepost 504.05, a distance of approximately 0.45 miles, in Pottawattamie County, IA; (2) IAIS to discontinue trackage rights over the UPRR line; and (3) UPRR to discontinue its overhead trackage rights over IAIS' line of railroad known as the Main Line (IAIS line) from milepost 486.8 to milepost 488.0, a distance of approximately 1.2 miles, in Pottawattamie County, IA. According to the Applicants, the IAIS line connects to the UPRR line via a short industrial track, which is available to both UP and IAIS.

UPRR states that it has an operating easement over Red Giant's property, allowing it to operate the UPRR line and has granted IAIS trackage rights. Over the past two years, IAIS has been the sole rail service provider transporting oil products for Red Giant. According to the Applicants, no other customers have received rail service via the UPRR line during this time.

The Applicants state that the only shipments that move over the UPRR line are those which either originate or terminate at Red Giant. There is no overhead traffic and no passenger service on the UPRR line. According to UPRR, the line contains no federally granted right-of-way and no reversionary interests. The proposed abandonment and trackage rights discontinuance would allow Red Giant complete control over its property as an industrial facility by removing the encumbrance presented by UPRR's easement and IAIS' trackage rights.

The Applicants state that if approved, IAIS would continue to provide service to both Red Giant and MWC. IAIS rail service would continue to be available to other customers in the area via IAIS' Main Line, which is located approximately 400 feet west of the UPRR line proposed for abandonment. No goods currently moved by rail would be diverted to truck should the Board approve the actions which Applicants seek here.

According to the Applicants, there would be no impact on regional or local transportation systems and patterns, and no diversion of traffic to other transportation systems or modes, as IAIS would continue to utilize the UPRR line to serve Red Giant, which is the Line's only customer.

The Applicants state that it believes that the proposed abandonment is not inconsistent with local land use plans.

Salvage Activities

If the petition becomes effective, the Applicants state that the UPRR line proposed for abandonment is not suitable for other public purposes because it is located on private property and IAIS would continue to use the UPRR line to serve Red Giant. Moreover, the Applicants state that the UPRR line lies within the City of Council Bluffs, which is currently served by several local streets and interstate highways, other UPRR and IAIS lines, as well as rail lines of other railroad including BNSF Railway Company and Canadian National Railway Company. Furthermore, the Applicants state that the removal of the encumbrance presented by the easement associated with the UPRR line would enable Red Giant to modify and expand its operations as necessary.

According to the Applicants, the proposed abandonment would not affect the transportation of hazardous materials. Furthermore, Applicants state that there are no known hazardous material waste sites or sites where known hazardous material spills have occurred on or along the right-of-way.

The U.S. Environmental Protection Agency (U.S. EPA), Region 7, states that its evaluation found no regulatory or remedial activity to be within the proposed abandonment's right-of-way. However, the U.S. EPA notes that the environmental legacies of railway operations can include, but not limited to, product spills, maintenance activities, wood preservative applications, etc. The Applicants note that there are no known hazardous materials waste sites or sites where known hazardous material spills have occurred on or along the right-of-way. SEA will not recommend a condition here, given that no hazardous materials waste sites are involved in this proceeding.

SEA believes that any air emissions associated with salvage operations would be temporary and would not have a significant impact on air quality. Noise associated with salvage activities would also be temporary and should not have a significant impact on the area surrounding the proposed abandonment.

In an e-mail dated July 30, 2008, the U.S. Department of Commerce, National Geodetic Survey (NGS) indicates that there are no geodetic station markers may be located in the area of the proposed abandonment.

Based on all information available to date, SEA does not believe that salvage activities would cause significant environmental impacts.

HISTORIC REVIEW

In its Environmental and Historic Report, the Applicants state that the UPRR line was originally constructed in 1901 by the Mason City and Fort Dodge Railroad. The UPRR line is located on property owned by Red Giant and does not contain any federally granted rights-of-

way or reversionary property. According to the Applicants, the UPRR right-of-way is approximately 50 feet wide and its topography relatively flat.

The UPRR line begins at milepost 503.6 to milepost 504.05, a distance of approximately 0.45 miles, in Pottawattamie County, IA. The Applicants state that there are no structures 50 year old or older that would be affected by the proposed abandonment. Furthermore, the Applicants state that they know of no historic sites or structures or archaeological resources within the project area.

The Applicants have served the historic report on the State Historical Society of Iowa (SHPO), pursuant to 49 CFR 1105.8(c).¹ In a letter from the SHPO, it states that an opinion would be offered by August 13, 2008, only if it determines, among other considerations, that there is an adverse effect. To date, the SHPO has not filed a response stating that historic properties listed in or eligible for inclusion in the National Register of Historic Places (National Register) would be affected within the right-of-way (the Area of Potential Effect, or APE) of the proposed abandonment.

Pursuant to the Section 106 regulations of the National Historic Preservation Act at 36 CFR 800.4(d)(1), and following consultation with the SHPO and the public, we have determined that the proposed abandonment would not affect historic properties listed in or eligible for inclusion in the National Register. The documentation for this finding, as specified at 36 CFR 800.11(d), consists of the railroad's historic report, all relevant correspondence, and this EA, which have been provided to the SHPO and made available to the public through posting on the Board's web site at <http://www.stb.dot.gov>.

Pursuant to 36 CFR 800.2, SEA conducted a search of the Native American Consultation Database at <http://home.nps.gov/nacd> to identify Federally recognized tribes, which may have ancestral connections to the project area. The database indicated that the following seven Federally recognized tribes that may have ancestral connection to the project area: (1) Iowa Tribe of Kansas and Nebraska, (2) Iowa Tribe of Oklahoma, (3) Omaha Tribe of Nebraska, (4) Otoe-Missouria Tribe of Indians, Oklahoma, (5) Sac & Fox Nation of Missouri in Kansas and Nebraska, (6) S Sac & Fox Nation, Oklahoma, and (7) Sac & Fox Tribe of the Mississippi in Iowa. SEA will ensure that each tribe receives a copy of this EA for its review and that the tribe be added to the service list for this proceeding.

Based on all information available to date, SEA does not believe that salvage activities would cause significant impacts to historic or cultural resources. SEA is providing a copy of this EA to the following agencies for review and comment: Pottawattamie County Board of Supervisors and the Iowa State Clearinghouse.

¹ Guidance regarding the Board's historic preservation review process is available on the Board's web site at <http://www.stb.dot.gov/stb/environment/preservation.html>.

CONDITIONS

SEA recommends that no conditions be imposed on any decision granting abandonment authority.

CONCLUSIONS

Based on the information provided from all sources to date, SEA concludes that, as currently proposed, and if the recommended condition is imposed, abandonment of the line would not significantly affect the quality of the human environment. Therefore, the environmental impact statement process is unnecessary.

Alternatives to the proposed abandonment would include denial (and therefore no change in operations), discontinuance of service without abandonment, and continued operation by another operator. In any of these cases, the existing quality of the human environment and energy consumption should not be affected.

PUBLIC USE

Following abandonment and salvage of the rail line, the right-of-way may be suitable for other public use. A request containing the requisite four-part showing for imposition of a public use condition (49 CFR 1152.28) must be filed with the Board and served on the railroad within the time specified in the Federal Register notice.

The Applicants state that the UPRR line proposed for abandonment is not suitable for other public purposes as the Line is located on private property and IAIS would continue to use it to serve Red Giant.

TRAILS USE

A request for a notice of interim trail use (NITU) is due to the Board, with a copy to the railroad, within 10 days of publication of the notice of exemption in the Federal Register. Nevertheless, the Board will accept late-filed requests as long as it retains jurisdiction to do so in a particular case. This request must comply with the Board's rules for use of rights-of-way as trails (49 CFR 1152.29).

PUBLIC ASSISTANCE

The Board's Office of Public Services (OPS) responds to questions regarding interim trail use, public use, and other reuse alternatives. You may contact OPS directly at (202) 245-0230, or mail inquiries to Surface Transportation Board, Office of Public Services, Washington, DC 20423.

COMMENTS

If you wish to file comments regarding this Environmental Assessment, send an **original and two copies** to Surface Transportation Board, Case Control Unit, Washington, DC 20423, to the attention of Troy Brady, who prepared this Environmental Assessment. Environmental comments may also be filed electronically on the Board's web site, www.stb.dot.gov, by clicking on the "E-FILING" link. **Please refer to Docket No. AB-33 Sub No. 274X in all correspondence, including e-filings, addressed to the Board.** If you have any questions regarding this Environmental Assessment, please contact Troy Brady, the environmental contact for this case, by phone at (202) 245-0301, fax at (202) 245-0454, or e-mail at Troy.Brady@stb.dot.gov.

Date made available to the public: October 17, 2008.

Comment due date: November 17, 2008.

By the Board, Victoria Rutson, Chief, Section of Environmental Analysis.

Anne K. Quinlan
Acting Secretary

Attachment