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SEA**

SERVICE DATE – AUGUST 8, 2006

**SURFACE TRANSPORTATION BOARD
WASHINGTON, DC 20423**

ENVIRONMENTAL ASSESSMENT

STB DOCKET NO. AB-994X

**Kettle Falls International Railway, LLC -
Abandonment Exemption - In Ferry County, Washington**

BACKGROUND

In this proceeding, Kettle Falls International Railway, LLC (KFR) filed a petition under 49 U.S.C. 10502 for exemption from the provisions of 49 U.S.C. 10903 to abandon approximately 28.361 miles of rail line (Line) extending from milepost 48.779 near Danville, WA, to milepost 77.14, in San Poil, WA. This section of the Line, which is stub-ended, proposed for abandonment traverses U.S. Postal Zip Codes 99118, 99121, and 99150. KFR further states that the Line does not contain any Federally granted rights-of-way (ROW).

A map depicting the Line in relationship to the area served is appended to this Environmental Assessment (EA). If the abandonment is approved, KFR states that it intends to remove all rail, cross ties, and other track materials (OTM) but will leave the two bridges in place. Following completion of salvage activities, KFR states that Ferry County plans to railbank the ROW.

DESCRIPTION OF THE LINE

In its petition, KFR states that it acquired the Line on December 11, 2004, from BNSF Railway Company. The Line, according to KFR, served a single active shipper, Pope & Talbot, Inc. (P&T) located near Curlew, WA. However, in October 2005, P&T relocated its operations to another rail line also served by KFR and dismantled its Curlew facility. KFR states that from the time that it acquired the Line to P&T's relocation, 1038 outbound carloads of kiln dried soft-wood lumber were transported. Furthermore, KFR states that because the Line is stub-ended, it is not capable of handling overhead traffic, hence the Line has been dormant since P&T's relocation.

KFR states that the ROW, which is 100 feet wide, passes through areas that are predominately rural in nature. KFR has identified two trestle bridges of timber pile or timber frame construction that are 50 years old or older. No other structures on the Line are 50 years old or older. KFR states that it does not possess any engineering drawings and that it believes that the bridges are not unique and are typical and therefore do not meet the criteria for listing on the National Register of Historic Places.

ENVIRONMENTAL REVIEW

KFR has submitted an environmental and historic report that concludes the quality of the human environment will not be significantly affected as a result of the discontinuance or any post-abandonment activities, including salvage and disposition of the ROW. KFR has served the environmental and historic report on a number of appropriate Federal, state, and local agencies as required by the Surface Transportation Board's environmental rules at 49 CFR 1105.7(b). The Board's Section of Environmental Analysis (SEA) has investigated and reviewed the record in this proceeding.

Transportation

SEA notes that the lone shipper, P&T, has ceased operations, dismantled its facility, and moved its operations to another rail line and that no rail traffic has moved over the Line since October 2005. Therefore, no rail-to-truck diversions will occur as a result of the proposed abandonment.

KFR believes that public health and safety would be enhanced should this abandonment be granted because 13 private and 20 public at-grade crossings would be eliminated.

Energy

SEA notes that no traffic has moved over the Line proposed for abandonment since October 2005. Therefore, SEA believes that there will be no impact to the transport of energy resources or recyclable commodities and that the development and transportation of energy resources will not be adversely affected by the proposed abandonment.

Air Quality and Noise

The Board has established air quality and noise level threshold levels set forth at 49 CFR 1105.7(e)(5)(ii) and (e)(6). These thresholds are guidelines that are considered, along with other supporting information, to determine whether the air pollution and noise levels generated by rail traffic diverted to alternative modes warrant detailed analysis. The applicable threshold level for an attainment area when assessing air pollution is an increase in rail traffic of at least 100% (measured in gross ton miles annually) or an increase of at least eight trains per day on any segment of the rail line, or an average increase in truck traffic of more than 10 percent of the average daily traffic or 50 vehicles a day on any affected road segment.

SEA notes that Ferry County is currently listed as an attainment area for all pollutants regulated under the Clean Air Act and that the abandonment, as proposed, would not result in any rail-to-truck diversions. Therefore, SEA believes that the corresponding impacts to air quality and noise would be insignificant.

Solid and Hazardous Waste

KFR states that it is unaware of any hazardous waste sites or areas where hazardous waste spills may have occurred within the ROW.

In a letter dated June 26, 2006, the Washington Department of Ecology (WA-DOE) states that the applicant must ensure that all wastes generated from salvage operations are designated and managed in accordance with the Dangerous Waste Regulations, Chapter 173-303 WAC. Accordingly, we will recommend a condition requiring the KFR to consult with WA-DOE regarding proper disposal of all wastes generated from salvage activities prior to commencement of any salvage activities.

The U.S. Environmental Protection Agency, Region 10 (USEPA) has not completed its review of the proposed abandonment. Therefore, prior to commencement of any salvage activities, KFR shall consult with the USEPA regarding potential contamination of the ROW.

Biological Resources

On July 19, 2006, SEA spoke by telephone to Mr. Allen Palmanteer, Washington Department of Fish and Wildlife. Mr. Palmanteer stated that he did not believe that the abandonment, as proposed, would result in any significant adverse impacts to threatened or endangered species.

The U.S. Fish and Wildlife Service, Region 1, has not completed its review of the proposed abandonment. Therefore, prior to commencement of any salvage activities, KFR shall consult with the U.S. Fish and Wildlife Service, Region 1, regarding potential impacts from salvaging activities to Federally listed threatened and endangered species that may occur in the vicinity of the Line.

KFR notes that the Line proposed for abandonment does not pass through any state parks or forests, national parks or forests, or wildlife sanctuaries. Moreover, SEA notes that because KFR's proposed salvage activities will not include any in-stream activity, disturbance of the ballast, or activity outside of the ROW, it is highly unlikely that the abandonment, as proposed, would result in any adverse impacts to any species considered threatened, endangered, or of special concern.

Water Resources

KFR states that the Line is not located within a designated coastal zone.

In a letter dated June 26, 2006, WA-DOE states that any activity occurring within 200 feet of the ordinary high water mark of a shoreline of the state or associated wetland, may be subject to permitting per the local Shoreline Master Program and the State Shoreline Management Act, Chapter 90.58. However, as noted above, KFR's proposed salvage activities do not include in-

stream activity, disturbance of the ballast, or activity outside of the ROW. Therefore, SEA believes that it is unlikely that the abandonment, as proposed, would result in any adverse impacts to water resources.

Land Use

KFR states that the ROW, which is 100 feet wide, passes through areas that are predominately rural in nature and does not contain any Federally granted ROW. KFR also states its opinion that the ROW is not suitable for alternative public use under Section 10905 because it is needed for other uses, which KFR describes as “flood control, redesign of a highway interchange, and development of a green way.” Environmental Report at 2.

In a letter dated May 8, 2006, the U.S. Department of Agriculture, Natural Resources Conservation Service determined that the project, as proposed, would have no effect on prime farmland.

In a letter dated May 23, 2006, the Ferry County Commissioners state that the ROW is suitable for both Public Use and Interim Trial Use and request that the Board impose each. In an e-mail dated July 19, 2006, the KFR concurred by stating that the Line will be railbanked by Ferry County.

The National Park Service, Pacific West Regional Office (NPS) has not completed its review of the proposed abandonment. Therefore, SEA recommends that the Board impose a condition requiring KFR to consult with the NPS.

Cultural and Historic Resources

The Line was constructed sometime in the early 1900's and was primarily used for the transport timber and agricultural products. In 2005, KFR purchased the Line from BNSF Railway Company. Until October 2005, KFR transported freight consisting of kiln dried softwood lumber for P&T.

KFR has identified two trestle bridges of timber pile or timber frame construction that are 50 years old or older. However, KFR does not believe that the structures are unique and therefore do not meet the criteria for listing on the National Register of Historic Places. KFR also states that it does not have in its possession any engineering drawings. KFR does not believe that there is a likelihood of archaeological resources or any other previously unknown historic properties in the project area. However, in a letter dated June 5, 2006, the Washington Department of Archaeology & Historic Preservation (SHPO) states that some portions of the Line bisects and is located in close proximity to a number of known below-ground cultural resources.

In an e-mail dated July 19, 2006, KFR states that the salvage operation would be conducted in the following manner. Salvage would entail removal of the rail, other track material, and ties from the ROW. The salvage operation would be conducted entirely within the ROW by use of rail mounted equipment that removes the spikes and plates that hold the rails to

the ties. After their removal, the plates, spikes, rail and ties would be loaded onto trucks driven onto the ROW. Neither the rail mounted equipment nor the trucks would operate outside of the ROW. The materials would thereafter be transported to storage yards owned by KFR for temporary storage at either Curlew, WA, or Danville, WA. After the rail, ties and other track material are removed, a vehicle equipped with magnets would travel over the ROW to remove any remaining spikes or plates inadvertently left behind. At that time, any ties or parts of ties left behind would be removed. The bridges would remain in place and the ballast and sub-ballast would remain undisturbed.

On July 19, 2006, SEA spoke with Mr. Russell Holter, Washington State Historic Preservation Officer (SHPO), via telephone, who stated he spoke with representatives of KFR in late June 2006 regarding the above referenced salvage plan. Mr. Holter concluded that he no longer had any concerns about the potential to adversely affect archaeological resources. Mr. Holter did however note that KFR must still submit a Historic Property Inventory Form regarding the two bridges before their office can determine whether or not they believe that the two bridges meet the criteria for listing on the National Register of Historic Places. SEA concurs with the SHPO and will withhold its determination until more information regarding the two bridges is forthcoming. SEA notes that in an e-mail from KFR dated July 24, 2006, that it is in the process of hiring a qualified third party to complete the Historic Property Forms as requested by the SHPO. In light of SHPO's concerns, we recommend a condition requiring KFR to retain its interest in and take no steps to alter the historic integrity of the two bridges within the project ROW that may be eligible for listing or listed in the National Register of Historic Places until the Section 106 process has been completed.

SEA conducted a search of the Native American Consultation Database at <http://www.cr.nps.gov/nacd/> to identify Federally recognized tribes that may have ancestral connections to the project area. The database indicated that the following two tribes may have an interest in the proposed abandonment: the Confederated Tribe of the Colville Reservation and the Spokane Tribe of the Spokane Reservation. 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.

The U.S. Department of Commerce, National Geodetic Survey (NGS) has not completed its review of the proposed abandonment. Therefore, SEA has added NGS to the service list for this EA and specifically invites NGS's comments on this EA.

CONDITIONS

1. Prior to the commencement of any salvage activities, Kettle Falls International Railway, LLC, shall consult with Washington Department of Ecology.
2. Prior to commencement of any salvage activities, Kettle Falls International Railway, LLC shall consult with the U.S. Environmental Protection Agency, Region 10 (USEPA), regarding the presence of any potential contaminants on the right-of-way.
3. Prior to commencement of any salvage activities, Kettle Falls International Railway, LLC, shall consult with the U.S. Fish and Wildlife Service, Region 1, regarding potential

impacts from salvaging activities to Federally listed threatened and endangered species that may occur in the vicinity of the line.

4. Prior to commencement of any salvage activities, Kettle Falls International Railway, LLC, shall consult with the National Park Service, Pacific West Regional Office, regarding any impacts on wildlife sanctuaries, refuges, National or state parks or forests.
5. Kettle Falls International Railway, LLC (KFR), shall retain its interest in and take no steps to alter the historic integrity of all sites, buildings, and structures within the project right-of-way that are eligible for listing or listed in the National Register of Historic Places (generally, 50 years old or older) until the Section 106 process of the National Historic Preservation Act, 16 U.S.C. 470f, has been completed. KFR shall report back to the Section of Environmental Analysis regarding any consultations with the Washington Department of Archaeology & Historic Preservation and any other Section 106 consulting parties. KFR may not file its consummation notice or initiate any salvage activities related to abandonment until the Section 106 process has been completed and the Board has removed this condition.

CONCLUSIONS

Based on the information provided from all sources to date, SEA concludes that, as currently proposed, that discontinuance of service on the Line would not significantly affect the quality of the human environment. Therefore, the environmental impact statement process is unnecessary.

Alternatives to the proposed discontinuance would include denial (and therefore no change in operations) or 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

KFR states that the ROW is not suitable for alternative public use under Section 10905 because it is needed for “flood control, redesign of a highway interchange, and development of a green way.” Environmental Report at 2.

In a letter dated May 23, 2006, the Ferry County Commissioners state that the ROW is suitable for Public Use.

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 the petition for 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).

In a letter dated May 23, 2006, the Ferry County Commissioners state that the ROW is suitable for Interim Trial Use. In an e-mail dated July 19, 2006, the KFR concurred by stating that the Line will be railbanked by Ferry County.

PUBLIC ASSISTANCE

The Board's Office of Public Services responds to questions regarding interim trail use, public use, and other reuse alternatives. You may contact the Office of Public Services directly at (202) 565-1592, 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, you should send an **original and two copies** to Vernon A. Williams, Office of the Secretary, Washington, DC 20423, to the attention of Troy Brady, who prepared this environmental assessment. **Please refer to STB Docket No. AB- 994X in all correspondence addressed to the Board.** If you have questions regarding this environmental assessment, you should contact Troy Brady at (202) 565-1643.

Date made available to the public: **August 8, 2006.**

Comment due date: September 8, 2006.

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

Vernon A. Williams
Secretary

Attachment