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SEA

SERVICE DATE – MAY 25, 2007

**SURFACE TRANSPORTATION BOARD**  
WASHINGTON, DC 20423

**ENVIRONMENTAL ASSESSMENT**

**STB Docket No. AB-534 (Sub-No. 3X)**

**Lake State Railway Company – Abandonment Exemption –  
Rail Line in Otsego County, MI**

**BACKGROUND**

In this proceeding, Lake State Railway Company (Lake State) filed a petition for exemption under 49 CFR 1152.50 seeking exemption from the requirements of 49 U.S.C. 10903 for Lake State to abandon and discontinue service over an approximately 4.15-mile line of railroad in the City of Gaylord, Otsego County, Michigan. The rail line extends from milepost 116.8 (the point at which the line crosses East McCoy Road) north to the dead end of the main line at milepost 120.95. A map depicting the rail line in relationship to the area served is appended to this Environmental Assessment (EA). If the petition becomes effective, Lake State will be able to salvage track, ties, and other railroad appurtenances and dispose of the right-of-way.

**DESCRIPTION OF THE LINE**

Lake State indicates that the line was built in the 1870's by the J.L. & S. R.R. Co. to provide passenger and freight service to individuals and companies between Saginaw and Mackinaw, Michigan. Over the years, the line was incorporated into larger carriers. In 1992, Lake State acquired the right to operate and subsequently purchased the existing line segment. Lake State indicates that the underlying right-of-way is between 25 and 100 feet wide, and falls within the limits of Otsego County, Michigan. The line traverses Gaylord, Michigan which is an urban area.

According to Lake State, the line is used to transport sand to two customers, lubricating oil to one customer, and PSTM chloride and triethylene, which can be considered a hazardous substance, to one customer. None of the four active shippers on the line originates any traffic. Lake State indicates that it has provided service on the line three days per week.

**ENVIRONMENTAL REVIEW**

Lake State submitted an environmental report that concludes the quality of the human environment would not be affected significantly as a result of the abandonment or any post-abandonment activities, including salvage and disposition of the right-of-way. Lake State served

the environmental report on a number of appropriate Federal, state, and local agencies as required by the Surface Transportation Board's (Board's) environmental rules [49 CFR 1105.7(b)].<sup>1</sup> The Board's Section of Environmental Analysis (SEA) has reviewed and investigated the record in this proceeding.

### ***Diversion of Traffic***

Lake State indicates that a substantial portion of the commodities currently being shipped via the line (approximately 75% of the 120 to 150 annual carloads) is transloaded to trucks for ultimate delivery within the Gaylord, Michigan area. Lake State states that the proposed abandonment would result in the relocation of the point at which this transloading from rail to trucks occurs. For the remaining carloads that currently do not rely upon truckload service, the abandonment would result in the diversion of these carloads to truckload service for ultimate delivery.

Lake State states that approximately 40 new carloads per year would be diverted to truckload service as a result of the proposed abandonment. Using a rail-to-truck conversion factor of four trucks per railcar,<sup>2</sup> SEA calculates that on a per day basis, the abandonment would generate an estimated 160 new trucks per year (320 truck trips assuming an empty backhaul). This equates to an estimated 1.33 trucks per day being added to area roads during a 240 workday year.<sup>3</sup> This increase in truck traffic will not exceed the Board's thresholds of an increase of more than 10 percent of the average daily traffic or 50 vehicles on any affected road segment. See 49 CFR 1105.7 (e).

### ***Salvage Activities***

The Natural Resources Conservation Service (NRCS) has indicated that the proposed abandonment would not affect prime farmland because there is no new conversion of agricultural lands anticipated. Additionally, NRCS stated that the line has not been used to transport agriculturally related products from the area.

The National Geodetic Survey (NGS) stated that no geodetic station markers have been identified that may be affected by the proposed abandonment. Accordingly, no mitigation measures were recommended by NGS.

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<sup>1</sup> The railroad's environmental and historic reports are available for viewing on the Board's website at [www.stb.dot.gov](http://www.stb.dot.gov) by going to "E-Library," selecting "Filings," and then conducting a search for AB-534 (Sub-No. 3X).

<sup>2</sup> The conversion factor is an estimate used to calculate the rail to truck conversion of varied commodities.

<sup>3</sup> 240 workdays result when weekends and holidays are subtracted from a 365 day year.

The U.S. Fish and Wildlife Service, Division of Realty, reviewed the proposed project and stated that it does not own any lands in the vicinity of the proposed abandonment, and it does not have any concerns regarding real estate matters.

The Michigan Department of Environmental Quality (DEQ) has indicated that it was unable to determine that there would not be any unacceptable exposure to hazardous substances if the right-of-way is converted to trail or other public use based on the limited information provided by Lake State. Because uncertainties remain regarding whether hazardous substances may be present on the rail line right-of-way, we recommend a condition for further consultation with Michigan DEQ.

The U.S. Environmental Protection Agency's Region 5 Office (USEPA) has not submitted comments regarding this proposed abandonment. Accordingly, SEA will provide a copy of this EA to USEPA for its review and comment.

Based on all information available to date, SEA does not believe that salvage activities would cause significant environmental impacts. In addition to the parties on the Board's service list for this proceeding, SEA is providing a copy of this EA to USEPA and Michigan DEQ for their review and comment.

## **HISTORIC REVIEW**

Lake State submitted an historic report to the Michigan State Historic Preservation Office (SHPO) pursuant to 49 CFR 1105.8(c). The SHPO has submitted comments stating that the proposed abandonment would not affect any known archaeological sites or historic properties listed in or eligible for inclusion in the National Register of Historic Places (National Register). We have reviewed the report and the information provided by the SHPO and concur with the SHPO's comments.

Pursuant to the Advisory Council on Historic Preservation's regulations for implementing the Section 106 process of the National Historic Preservation Act at 36 CFR 800.5(c) and 36 CFR 800.8, we have determined that the proposed abandonment will not adversely 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.

SEA conducted a search of the Native American Consultation Database at <http://www.nps.gov/nacd/> to identify Federally recognized tribes that may have ancestral connections to the project area. The database indicated that the following tribes may have an interest in the proposed abandonment: Bay Mills Indian Community, Michigan; Grand Traverse Band of Ottawa and Chippewa Indians, Michigan; Little Traverse Bay Bands of Odawa Indians, Michigan; Red Lake Band of Chippewa Indians, Minnesota; and Sault Ste. Marie Tribe of

Chippewa Indians of Michigan. Accordingly, SEA is sending a copy of this EA to these tribes for their review and comment.

### **CONDITIONS**

SEA recommends that the following environmental condition be placed on any decision granting abandonment authority:

Prior to any salvaging activities, Lake State Railway Company shall consult with the Michigan Department of Environmental Quality regarding its concerns about hazardous substances that may be located on the rail line right-of-way and shall comply with its reasonable requirements.

### **CONCLUSIONS**

Based on the information provided from all sources to date, SEA concludes that, as currently proposed, and if the recommended conditions are imposed, abandonment of the line will 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.

### **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 class 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 right-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 Danielle Gosselin, the environmental contact for this case. Environmental comments may also be filed electronically on the Board's web site, [www.stb.dot.gov](http://www.stb.dot.gov), by clicking on the "E-FILING" link. **Please refer to Docket No. AB-534 (Sub-No. 3X) in all correspondence, including e-filings, addressed to the Board.** If you have any questions regarding this environmental assessment, please contact Danielle Gosselin by phone at (202) 245-0300, fax at (202) 245-0454, or e-mail at [danielle.gosselin@stb.dot.gov](mailto:danielle.gosselin@stb.dot.gov).

Date made available to the public: May 25, 2007.

**Comment due date: June 22, 2007.**

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

Vernon A. Williams  
Secretary

Attachment