

**37286
SEA**

SERVICE DATE – OCTOBER 13, 2006

**SURFACE TRANSPORTATION BOARD
WASHINGTON, DC 20423**

ENVIRONMENTAL ASSESSMENT

STB DOCKET NO. AB 497 (Sub-No. 3X)

**Minnesota Northern Railroad, Inc. --
Abandonment Exemption -- In Polk and Norman Counties, Minnesota**

BACKGROUND

In this proceeding, Minnesota Northern Railroad, Inc. (MNR) has filed a Petition under 49 U.S.C. 10502(a) for an exemption from 49 U.S.C. 10903 for abandonment of approximately 17 miles of its stub-ended Ada Subdivision between milepost 64.0 south of Beltrami, MN, and the end of the track at milepost 47.0, just south of Ada, MN, in Polk and Norman Counties, MN (Line). The Line proposed for abandonment traverses U.S. Postal Zip Codes 56510 and 56517. As a result of flood damage, there has been no rail service over the Line since February 21, 2006. Then on April 3, 2006, the Line was embargoed, which was also as a result of the earlier flood damage. MNR further states that the Line does not contain any Federally granted rights-of-way.

A map depicting the Line in relationship to the area served is appended to this Environmental Assessment (EA). If the abandonment is approved, MNR states that it intends to remove rail, cross ties, and other track materials. Following completion of salvage activities, MNR states that it intends to sell or convert the right-of-way into some unspecified non-rail use.

DESCRIPTION OF THE LINE

In its petition, MNR states that it acquired the Line in 1997 from Burlington Northern Santa Fe Railway Company (BNSF). MNR states that the Line has been used to transport oats, barely, edible beans, and fertilizer to and from customers located at and near Ada, MN. The Line, according to MNR, was embargoed due to unsafe track conditions resulting from extensive flood damage, effective April 3, 2006. Since the time of the flood damage rail operations have ceased and maintenance has been minimal. MNR further states that there is no reasonable alternative to the proposed abandonment because 1) operation of the Line is unprofitable; 2) there is no reasonable prospect for profitable operations; 3) the Line requires substantial track rehabilitation; and 4) shippers on the Line have feasible transportation alternatives.

MNR states that the rail right-of-way is generally 100 feet wide, narrowing to approximately 50 feet wide as it passes through towns. MNR has identified 15 bridges, 14 of which appear to be 50 years old or older. No other structures on the Line are 50 years old or older. MNR states that it does not possess any engineering drawings and that it believes that,

because these bridges have seen substantial replacement work, they do not meet the criteria for listing on the National Register of Historic Places. Furthermore, MNR believes that there is no likelihood of archeological resources or any other previously unknown historic properties in the proposed project area, which has been disturbed as a result of construction or farming.

ENVIRONMENTAL REVIEW

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

Although no rail traffic has moved over this section of the Line since February 21, 2006, SEA conducted an analysis of the impact of rail-to-truck diversions on local roadways. SEA's preliminary analysis of 2005 carload data (base year), indicates that 85 railcars would be diverted to trucks. The proposed abandonment, if approved, would result in 476¹ additional trucks or 952 additional truck trips annually. When the additional trucks are calculated on a per day basis, an estimated 1.98 trucks (3.97 truck trips) per day would result during a 240 day year.² It is important to note that SEA is assuming an empty backhaul, which translates into approximately 3.97 trucks per day traveling on State Highways 200 and 9. In analyzing transportation impacts, SEA used the communities of Beltrami and Ada because those are communities for which SEA was able to obtain the most current annual average daily traffic (AADT) information.

To further analyze the potential impact of the additional truck traffic, SEA calculated the increase in new truck traffic as a percentage of total traffic as well as a percent of heavy truck traffic. SEA's analysis assumes a worst case scenario by projecting that all new truck traffic would use State Highways 200 and 9. SEA determined that the percent increase in average annual daily traffic, based on a 240 day year (3.97 new truck trips per day in each direction) would result in the following:

¹ SEA used a conversion of 5.6 trucks per railcar because railcars typically carry 100 tons, while most trucks can transport 18 tons.

² 240 workdays result when weekends and holidays are subtracted from a 365 day year.

Community	AADT All Traffic	AADT Heavy Truck Traffic	Percent Increase All Traffic	Percent Increase Heavy Truck Traffic
Beltrami (Hwy. 9) ³	910	100	0.44	3.97
Ada (Hwy. 9) ⁴	1100	70	0.36	5.67
Ada (Hwy. 200 W)	2900	290	0.14	1.37
Ada (Hwy. 200 E)	2700	220	0.15	1.80

Based on the results above, SEA concludes that because the rail-to-truck diversions, which may have already occurred, would constitute less than a 10 percent increase in AADT, the proposed abandonment, if approved, would not significantly contribute to traffic delay or adversely affect safety.

In a letter dated July 18, 2006, Mr. Robert Rickert, State Rail Bank Program Manager, Minnesota Department of Transportation, states that there is support for the proposed abandonment for the creation of a tri-county trail and the elimination of the at-grade crossing located at or about MP 65.0 at State Highway.

In addition, SEA notes that the abandonment, as proposed, would result in the elimination of 19 public and 25 private existing highway/rail at-grade crossings.

Energy

SEA notes that no traffic has moved over the Line proposed for abandonment since February 21, 2006. Therefore, SEA believes that there would be no impact to the transport of energy resources or recyclable commodities and that the development and transportation of energy resources would 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 Polk and Norman Counties are currently listed as attainment areas for all pollutants regulated under the Clean Air Act. Therefore, SEA believes that the corresponding impacts to air quality and noise would be insignificant.

3 2005 AADT data – Minnesota Department of Transportation, Office of Transportation Data & Analysis.

4 2004 AADT data - Minnesota Department of Transportation, Office of Transportation Data & Analysis.

Solid and Hazardous Waste

In its filing, MNR indicates that it is unaware of any hazardous waste sites or areas where hazardous waste spills may have occurred within the right-of-way.

In a letter dated July 19, 2006, Mr. Doug Bellefeuille, Emergency Response Specialist, Minnesota Pollution Control Agency, states that because MNR has indicated that no soil would be excavated during the proposed salvage process that his office requests no further action. However, Mr. Bellefeuille went on to state that if during the salvage process any petroleum contaminated soil or other contamination is discovered, MNR must notify the Minnesota State Duty Officer at 1-800-422-0798.

The U.S. Environmental Protection Agency, Region 5 (USEPA) has not completed its review of the proposed abandonment. Therefore, SEA has added USEPA to the service list for this EA and specifically invites USEPA's comments on this EA.

Biological Resources

MNR states that it does not believe that the Line proposed for abandonment would affect any state parks or forests, national parks or forests, or wildlife sanctuaries. Moreover, SEA notes that MNR has stated that proposed salvage activities would not include any in-stream and/or wetland activity or any activity outside of the right-of-way. Therefore, 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.

The U.S. Fish and Wildlife Service, Region 3, Twin Cities Ecological Services Field Office (USFWS), has not completed its review of the proposed abandonment. Therefore, SEA has added USFWS to the service list for this EA and specifically invites USFWS's comments on this EA.

Water Resources

MNR states that it believes that the proposed abandonment would not affect any designated wetlands or 100-year flood plains. Furthermore, MNR states that it believes that the proposed abandonment would be consistent with all applicable Federal, State, and local water quality standards.

SEA notes that MNR has stated that proposed salvage activities would not include any in-stream and/or wetland activity or any activity outside of the right-of-way, therefore, 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.

The Army Corps of Engineers, St. Paul District (COE), has not completed its review of the proposed abandonment. Therefore, SEA has added COE to the service list for this EA and specifically invites COE's comments on this EA.

Land Use

MNR states that the right-of-way, which is generally 100 feet wide but narrows to 50 feet wide through towns, passes through areas that are predominately rural in nature and does not contain any Federally granted right-of-way. MNR also states that it believes that the RIGHT-OF-WAY is not suitable for alternative public use under Section 10905 but that it may be suitable for use as a recreational trail.

In a letter dated June 29, 2006, the U.S. Fish and Wildlife Service, Region 3, states that it does not own or hold interests in land in the vicinity of the proposed abandonment.

In a letter dated June 28, 2006, Ms. Nancy Ellis, Polk County Planning and Zoning Administrator, states that the abandonment, as proposed, is consistent with its land use and Comprehensive plan. Furthermore, Ms. Ellis also states that the proposed abandonment does not require any special permits, approvals, or hearings and does not see any adverse environmental or historic impacts in terms of land use planning.

The U.S. Department of Agriculture, Natural Resources Conservation Service (NRCS) has not completed its review of the proposed abandonment. Therefore, SEA has added NRCS to the service list for this EA.

The National Park Service, Midwest Regional Office (NPS), has not completed its review of the proposed abandonment. Therefore, SEA has added NPS to the service list for this EA.

Cultural and Historic Resources

The MNR was created in December 1996 when its previous owner, Railamerica Incorporated, purchased 204 miles of rail line from the newly created BNSF. The 204 miles of rail line initially sold to MNR included Ada Subdivision. Ownership of MNR was transferred to KBN Incorporated and Independent Locomotive Service in 2001. Both companies are based in MN.

The Great Northern Railway (GNR) was the only privately funded transcontinental railroad in the U.S. refusing federal subsidies for its construction. GNR was financed by Mr. James J. Hill and developed from the existing the St. Paul and Pacific Railroad. The GNR was also the only transcontinental railroad to avoid receivership during the depression of 1893 to 1897. During the early years, the GNR was built slowly. Mr. Hill used early promotional incentives like feed and seed donations to farmers settling along the rail line.

At its height, GNR had constructed rail system reaching from the Canadian border to the north and to Chicago, IL to the south and from Superior, WI, in the east to Puget Sound at Everett, WA to the west. By 1970, at the time of its merger with BNSF, GNR had a rail system extending over 8,000 miles in length. In 1997, the Line was then acquired by MNR from Rail America Transportation Corporation.

MNR has identified 15 bridges of which all or portions of 14 of them are 50 years old or older. The construction and ages of the bridges are listed in the table below:

Milepost	Height	Description	Comments
47.7	16	84' timber open deck (6 spans of 14')	Age: Predate 1940 Stringers, caps & ties 1957
49.5	16	100' deck plate girder with 2 concrete piers and 2 concrete abutments (3 spans of 36')	Age: 1928
49.8	5	42' timber open deck (3 spans of 14')	Age: Predate 1940 Stringers, caps & ties predate 1960
50.0	5	28' concrete ballasted deck (2 spans of 14')	Age: unknown
52.4	4	42' timber open deck (3 spans of 14')	Age: Piling predate 1940 Stringers, caps & ties predate 1960
52.6	5	42' timber open deck (3 spans of 14')	Age: Piling predate 1940 Stringers, caps & ties predate 1960
52.8	10	112' timber open deck with 18" deck plate girder (6 spans of wood – 18') 28' steel	Age: Piling predate 1940 Stringers, caps & ties predate 1960
54.0	4	42' timber open deck (3 spans of 14')	Age: rebuilt in 1953
55.3	6	28' timber ballasted deck (2 spans of 14')	Age: Piling predate 1940 Stringers, caps & ties predate 1960
56.0	10	56' timber open deck (4 spans of 14')	Age: rebuilt in 1953
56.5	5	42' timber open deck (3 spans of 14')	Age: rebuilt in 1953
56.9	5	28' timber open deck (2 spans of 14')	Age: Piling predate 1940 Stringers, caps ties predate 1960
60.5	5	28' timber open deck (2 spans of 14')	Age: rebuilt in 1953
62.1	10	56' timber open deck (4 spans of 14')	Age: rebuilt in 1988
62.8	4	34' timber ballast deck with concrete piers	Age: Built 1925

No other structures on the Line are 50 years old or older. MNR states that it does not possess any engineering drawings and that it believes that the bridges do not meet the criteria for listing on the National Register of Historic Places. Furthermore, MNR states that there is no likelihood of archeological resources or any other previously unknown historic properties in the proposed project area. SEA notes that the reconstruction of a majority of the bridges could also prevent them from meeting the criteria necessary for listing on the National Register of Historic Places.

In a letter dated September 6, 2006, Ms. Britta L. Bloomberg, Deputy State Historic Preservation Officer (SHPO), State of Minnesota, states that the Environmental and Historic Report submitted by MNR was received and reviewed. The SHPO concludes that the Historic Report does not address the potential historical significance of the Line. The right-of-way of the Line itself may meet the criteria for inclusion in the National Register of Historic Places. Therefore, SEA recommends that should the abandonment be approved, the Board impose a condition requiring MNR to retain its interest in and take no steps to alter the historic integrity of the rail right-of-way itself until the Section 106 process of the National Historic Preservation Act, 16 U.S.C. 470f, has been completed.

SEA conducted a search of the Native American Consultation Database at <http://home.nps.gov/nacd/> to identify Federally recognized tribes that may have ancestral connections to the project area. The database indicated that there are 22 tribes that may have an interest in the proposed abandonment: Bad River Band of the Lake Superior Tribe of Chippewa Indians of the Bad River Reservation, Wisconsin; Bois Forte Band (Nett Lake) of the Minnesota Chippewa Tribe, Minnesota; Flandreau Santee Sioux Tribe of South Dakota; Fond du Lac Band of the Minnesota Chippewa Tribe, Minnesota; Grand Portage Band of the Minnesota Chippewa Tribe, Minnesota; Keweenaw Bay Indian Community, Michigan; Lac Courte Oreilles Band of Lake Superior Chippewa Indians of Wisconsin; Lac Vieux Desert Band of Lake Superior Chippewa Indians, Michigan; Leech Lake Band of the Minnesota Chippewa Tribe, Minnesota; Lower Sioux Indian Community in the State of Minnesota; Mille Lacs Band of the Minnesota Chippewa Tribe, Minnesota; Minnesota Chippewa Tribe, Minnesota; Prairie Island Indian Community in the State of Minnesota; Red Cliff Band of Lake Superior Chippewa Indians of Wisconsin; Red Lake Band of Chippewa Indians, Minnesota; Santee Sioux Nation, Nebraska; Sokaogon Chippewa Community, Wisconsin; St. Croix Chippewa Indians of Wisconsin; Turtle Mountain Band of Chippewa Indians of North Dakota; Upper Sioux Community, Minnesota; and the White Earth Band of Minnesota Chippewa Tribe, Minnesota. 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.

Based on all information available to date, SEA does not believe that salvage activities would cause significant environmental impacts. SEA is providing a copy of this EA to the following agencies for review and comment: USEPA Region 5; USFWS Region 3, Twin Cities Ecological Services Field Office; National Park Service, Midwest Regional Office; U.S. Army

Corps of Engineers, St. Paul District; U.S. Department of Agriculture, Natural Resources Conservation Service; and the U.S. Department of Commerce, National Geodetic Survey.

CONDITIONS

1. Minnesota Northern Railroad Inc., shall retain its interest in and take no steps to alter the historic integrity of the rail right-of-way itself (excluding the tracks and ties) until the Section 106 process of the National Historic Preservation Act, 16 U.S.C. 470f, has been completed. Minnesota Northern Railroad Inc. shall report back to the Section of Environmental Analysis regarding any consultations with the SHPO and any other Section 106 consulting parties. Minnesota Northern Railroad Inc. may not file its consummation notice 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

MNR states that it believes that the right-of-way is not suitable for alternative public use under Section 10905. Nevertheless, 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 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 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). MNR states that it believes that the right-of-way may be suitable for use as a recreational trail.

In a letter dated July 18, 2006, Mr. Robert Rickert, State Rail Bank Program Manager, Minnesota Department of Transportation, states that there is support for the proposed abandonment for the creation of a tri-county trail.

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- 497 Sub No. 3X 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: **October 13, 2006.**

Comment due date: November 13, 2006.

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

Vernon A. Williams
Secretary

Attachment