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SERVICE DATE - MARCH 30, 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 Intent to Prepare an Environmental Impact Statement (EIS), Request for Comments on the Proposed EIS Scope, and Notice of Scoping Meetings.

**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 will hold agency and public scoping meetings as part of the EIS process, at the dates and locations described below. The exact locations of the meetings will be advertised two weeks prior to the meeting dates.

### **Dates and Locations**

#### **Agency Scoping Meetings**

April 29, 1998, Cheyenne, Wyoming 9-11am  
May 14, 1998, St. Paul, Minnesota 1-3 pm  
June 17, 1998, Pierre, South Dakota 9-11am

#### **Public Scoping Meetings**

April 29, 1998, Wright, Wyoming 4-7pm  
April 30, 1998, Edgemont, South Dakota 4-7pm  
May 1, 1998, Hot Springs, Wyoming 4-7pm  
May 12, 1998, Mankato, Minnesota 4-7pm  
May 13, 1998, Rochester, Minnesota 4-7pm  
June 16, 1998, Wall, South Dakota 4-7pm  
June 17, 1998, Pierre, South Dakota 4-7pm  
June 18, 1998, Huron, South Dakota 4-7pm  
June 29, 1998, Brookings, South Dakota 4-7pm  
June 30, 1998, Springfield, Minnesota 4-7pm

Both the agency and public scoping meetings will be informal meetings during which interested persons may ask questions about the proposal and the Board's environmental review

process, and advise the Board's representative about potential environmental effects of the project. SEA will make available to the public a draft scope of the EIS before the first meeting. SEA will also provide time for the public to submit written comments on the draft scope. That period will run concurrently with the agency and public meetings. SEA will issue a final scope shortly after the final meeting.

**For Further Information Contact:** Ms. Victoria Rutson, SEA Project Manager, Powder River Basin Expansion Project, (202) 565-1545.

## **SUPPLEMENTARY INFORMATION**

**Background:** The proposed rail construction project, referred to as the Powder River Basin Expansion Project, would involve the construction and operation of 280.9 miles of new rail line by the Dakota, Minnesota & Eastern Railroad Corporation (DM&E), Brookings, South Dakota. The project would provide access for a third rail carrier to serve the region's coal mines and transport coal eastward from the Powder River Basin. New rail construction would include 262.03 miles of rail line extending off DM&E's existing system near Wasta, South Dakota, extending generally southwesterly to Edgemont, South Dakota and then westerly into Wyoming to connect with existing coal mines located south of Gillette, Wyoming. This portion of the new construction would traverse portions of Custer, Fall River, Jackson, and Pennington Counties, South Dakota and Campbell, Converse, Niobrara, and Weston Counties, Wyoming.

New rail line construction would also include a 13.31 mile line segment around Mankato, Minnesota within Blue Earth and Nicollet Counties. DM&E currently has trackage on both sides of Mankato, accessed by trackage rights on rail line operated by Union Pacific Railroad (UP). The proposed Mankato construction would provide DM&E direct access between its existing lines, avoid operational conflicts with UP, and route rail traffic around the southern side of Mankato, avoiding the downtown area.

The final proposed segment of new rail construction would involve a connection between the existing rail systems of DM&E and I&M Rail Link. The connection would include construction and operation of 2.94 miles of new rail line near Owatonna, Steele County, Minnesota. The connection would allow interchange of rail traffic between the two carriers.

In order to transport coal over the existing system, DM&E proposes to rebuild 597.8 miles of rail line along its existing system. The majority of this--584.95 miles-- would be along DM&E's mainline between Wasta, South Dakota, and Winona, Minnesota. An additional 12.85 miles of existing rail line between Oral and Smithwick, South Dakota would also be rebuilt. Rail line rebuilding would include rail and tie replacement, additional sidings, signals, grade crossing improvements, and other systems.

DM&E plans to transport coal as its principle commodity. However, shippers desiring rail access could ship other commodities in addition to coal over DM&E's rail line. Existing shippers along the existing DM&E system would continue to receive rail service.

**Environmental Review Process:** At this time, the Board's SEA is requesting information and general comments on the scope of environmental issues to be addressed in the EIS for the proposed project. The National Environmental Policy Act (NEPA) process is intended to assist the Board and the public in identifying and assessing the potential environmental consequences of a proposed action before a decision on the proposed action is made. The first stage of the EIS process is scoping. Scoping is an open process for determining the scope of environmental issues to be addressed in the EIS and their potential for significance. SEA will soon develop and make available a draft scope of study for the EIS and provide a period for the submission of written comments on it. Concurrently, scoping meetings will be held as noted above to provide opportunities for public involvement and input into the scoping process. Following the issuance of a draft scope and the comment period, SEA will issue a final scope of study for the EIS.

After issuing the final scope of study, SEA will prepare a Draft EIS (DEIS) for the project. The DEIS will address those environmental issues and concerns identified during the scoping process and detailed in the scope of study. It will also contain SEA's preliminary recommended environmental mitigation measures. The DEIS will be made available upon its completion for public review and comment. A Final EIS (FEIS) then will be prepared reflecting SEA's further analysis and the comments to the DEIS. In reaching its decision in this case, the Board will take into account the DEIS, FEIS, and all environmental comments that are received.

**Filing Environmental Comments:** SEA encourages broad participation in the EIS process. Interested persons and agencies are invited to participate in the scoping phase by reviewing the scope of study, attending the scoping meetings, and submitting written comments SEA. 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

By following this procedure, your comments will be placed in the formal Public Record for this case. In addition, SEA will add your name to its mailing list for distribution of the final scope of study for the EIS, the DEIS, and FEIS.

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

Vernon A. Williams  
Secretary