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SERVICE DATE – OCTOBER 23, 2007

SURFACE TRANSPORTATION BOARD
WASHINGTON, DC 20423

ENVIRONMENTAL ASSESSMENT

STB Docket No. AB-103 (Sub-No. 21X)
The Kansas City Southern Railway Company –
Abandonment Exemption – Line in Warren County, MS

STB Docket No. AB-1016X
Vicksburg Southern Railroad, Inc. –
Discontinuance of Service Exemption – Line in Warren County, MS

BACKGROUND

In this proceeding, the Kansas City Southern Railway Company (KCSR) and the Vicksburg Southern Railroad, Inc., (VSOR)(collectively Applicants), jointly filed their respective petitions under 49 U.S.C. 10502 for exemption from the provisions of 49 U.S.C. 10903. In this proceeding, KCSR seeks to abandon and VSOR seeks to discontinue service over the Vicksburg Industrial Lead (also known as the South Redwood Branch or Redwood Branch), between milepost 225.6, south of the Line's crossing of Warrenton Road and milepost 229.85, approximately 0.05 miles south of the Line's crossing of Glass Road, a distance of 4.25 miles in Warren County, MS. The Line traverses United States Postal Service Zip Code 39180 and the right-of-way is approximately 100 feet in width. The topography is generally urban in nature but also includes some forests and farmland. A map depicting the Line in relationship to the area served is appended to this Environmental Assessment (EA). If the petition becomes effective, KCRS would be able to salvage track, ties and other railroad appurtenances and to dispose of the right-of-way.

ENVIRONMENTAL REVIEW

The Applicants have 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. That Applicants have 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.

The Applicants state that the Line currently serves a single shipper, Foam Packaging, Inc., which receives inbound rail traffic at a rail spur located near milepost 227.5. At this point, Foam Packaging reloads the inbound rail traffic onto trucks and transports it roughly one mile to its plant, which is not directly served by rail. All inbound rail loads to Foam Packaging, which

account for all recent rail traffic on the Line, consist of plastic pellets, specifically polystyrene, which is a non-hazardous commodity. Foam Packaging uses this material in its manufacture of foam sheets and container products.

The Applicants state that the Line is stub-ended and leased by KCSR to VSOR, a Class III short line carrier that has operated the Line since January 2006. The Applicants' records indicate that Foam Packaging received 55 carloads in 2004, 49 carloads in 2005, 57 carloads in 2006, and 28 carloads as of August 28, 2007. Because Foam Packaging currently transloads inbound polystyrene onto trucks to its final destination to its plant, the abandonment and discontinuance should result in minor impacts to Foam Packaging. Foam Packaging would continue to receive its materials via other portions of the Applicant's lines that are still in service. Furthermore, the Applicants state that they would work with Foam Packaging to relocate its truck transfer operations to another suitable railhead in the area.

In its submittal, the Applicants state that the abandonment and discontinuance, if approved, would not impact regional and/or local transportation rail systems or patterns or the diversion of rail traffic to other modes. The abandonment and discontinuance, if approved, would also improve local roadway safety with the elimination of two public and three private at-grade crossings.

In a filing dated October 15, 2007, Foam Packaging states that does not oppose the Applicant's desire to abandon and discontinue service over the Line. However, it strongly opposes the loss of rail service. Therefore, Foam Packaging seeks to purchase the Line and requests that the Board not to exempt the Applicants from the offer of financial assistance process.

According to the Applicants, a majority of the Line is located within the City of Vicksburg, MS (City), and, at various points has been zoned as heavy industrial, general commercial, mixed use residential, single family residential, commercial planned unit development, and agricultural/industrial.

Additionally, in the Applicants submittal, an article appearing in the September 24, 2007, edition of *The Vicksburg Post*, and also in a filing submitted by Foam Packaging dated October 15, 2007, KCSR has entered into a three-way, \$ 1 million dollar transaction to transfer 156 acres of its property that is part of this proposed action for the development of a Lakes Entertainment (Lakes) resort casino. The deal was recently approved by the City via resolution. In the land deal approved by the City, Lakes would receive 104 acres of the KCSR right-of-way and the City would use the remaining 52 acres for conversion into a rails-to-trails project.

If the abandonment is approved, KCSR anticipates conveying its interesting the right-of-way for use as a trail to the City. The only reasonable alternative to abandonment would be to allow the Line to remain in place while handling a small amount of rail traffic that can be handles by another close by location.

SEA notes that in general, that if the abandonment and discontinuance is approved, that salvage would likely entail removal of the rail, other track material, and ties from the right-of-way. Salvage operations are normally conducted entirely within the right-of-way by use of rail mounted equipment that removes the spikes and plates that hold the rails to the ties. After the rail, ties and other track material are removed, a vehicle equipped with magnets is generally used to travel over the right-of-way 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 ballast and sub-ballast would remain undisturbed. The Applicants state that they do not intend to perform any activities that would cause sedimentation or erosion of the soil and does not anticipate any dredging or use of fill in removal or track material. Furthermore, no debris would be discarded along the right-of-way nor placed or left in streams or wetlands, or along the banks of such waterways. Any work along the right-of-way would also be subject to appropriate measures to prevent or control spills from fuels, lubricants or any other pollutant materials.

The Applicants note that they believe that the proposed abandonment and discontinuance is consistent with existing land use plans. In fact, the Applicants proposed action was precipitated by plans by the City to convert the Line's right-of-way to recreational or other uses, as described above.

The Applicants state that they are not aware of any hazardous waste sites or sites on the Line where any hazardous materials spills have occurred.

In a letter dated August 13, 2007, Ms. Willa Henriksen, Bureau Director, Wetland Permitting, Mississippi Department of Marine Resources, writes that the project, as proposed, does not appear likely to cause direct or indirect impacts to coastal wetlands.

In a letter dated August 10, 2007, Mr. David Felder, Fish and Wildlife Biologist, Fish and Wildlife Service, Mississippi Field Office, states that no impacts to any federal listed species are likely to occur as a result of the proposed project. The Applicants also state that they are not aware of any wildlife sanctuary or refuge, or any National or State park or forest adjacent to the Line.

In a letter dated August 14, 2007, Mr. Homer Wilkes, State Conservationist, Natural Resources Conservation Service, states that no prime farmland would be impacted.

That Applicants state that they believe that no permits under section 404 of the Clean Water Act would be required because no salvage activities are anticipated in or adjacent to any waterways and 100 year flood plains would be impacted.

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.

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: National Park Service, Southeast Regional Office; U.S. Army Corps of Engineers, Vicksburg District, and the Mississippi Department of Environmental Quality, Office of Pollution Control.

HISTORIC REVIEW

In its Historic Report, the Applicants state that the Line was originally constructed by the Louisville, New Orleans & Texas Railway (LNO&T) as part of a through route between Memphis, TN, and New Orleans, LA, via Vicksburg, MS, and Baton Rouge, LA, which was completed in about 1884. The Yazoo & Mississippi Valley Railroad (Y&MV), a subsidiary of the Illinois Central Railroad (IC), merged with the LNO&T, with Y&MV becoming the surviving carrier. The Y&MV was itself later merged into the IC. In 1972 the IC became the Illinois Central Gulf Railroad (ICG) following IC's merger with the Gulf, Mobile & Ohio Railroad. Over time, portions of the LNO&T Memphis-New Orleans route were abandoned, resulting in an approximately 19 mile branch line from Redwood, MS, the southernmost 4.5 miles which is now the Line that is the subject of this abandonment proceeding.

In 1986, MidSouth Rail Corporation (MidSouth) acquired the Line, along with other lines, from ICG. The KCSR acquired control of MidSouth in 1993, subsequently merging with MidSouth, with KCSR as the surviving entity. KCSR leased the Line to VSOR in early 2006. In light of VSOR's current lease and operation of the Line, the proposed abandonment would not effect any change in KCSR's operations.

The Applicants state that there are three bridges on the Line that are 50 years old or older. According to the Applicants, the bridges are located at milepost's 228.6, 228.9, and 229.8 and were originally constructed by railroads historically unaffiliated with KCSR. KCSR acquired the bridges as part of its acquisition of MidSouth in 1993.

According to the Applicants, the bridge located at milepost 228.6 was constructed in 1952, the bridge located at milepost 228.9 was constructed in 1948, while the main span located at milepost 229.8 was constructed in 1923 and was rebuilt in 1966. However, the Applicants believe all of the bridges are of common design and construction and is therefore not likely to be of historical significance.

The Applicants state that they know of no historic sites or structures or archeological resources on the Line or within the proposed project area. The Applicants served the historic report on the Mississippi Department of Archives & History, State Historic Preservation Officer

(SHPO), pursuant to 49 CFR 1105.8(c).¹ In a letter dated August 3, 2007, the SHPO states that it has determined that no cultural resources would be adversely affected.

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, the Applicants, 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 website 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 Eastern Band of Cherokee Indians of North Carolina may have an interest in the proposed abandonment and discontinuance. Accordingly, SEA is sending a copy of this EA to the Tribe for review and comment.

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

CONDITIONS

We recommend 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 that 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.

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>.

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.

KCSR states that the Line is suitable for other public purposes and anticipates conveying the right-of-way to the City of Vicksburg, MS, for such purposes.

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).

If the abandonment is approved, KCSR anticipates conveying its interesting the right-of-way for use as a trail to the City. The only reasonable alternative to abandonment would be to allow the Line to remain in place while handling a small amount of rail traffic that can be handled by another close by location.

In a letter dated October 5, 2007, KCSR states that it willing to enter into negotiations with the City of Vicksburg, MS, regarding trails use for the entire right-of-way.

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-103 (Sub-No. 21X) and AB-1016X 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 23 2007.

Comment due date: November 23, 2007.

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

Vernon A. Williams
Secretary

Attachment