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May 31, 2007

VIA HAND DELIVERY

Ms. Vicki Rutson
Chief, Section of Environmental Analysis
Surface Transportation Board
395 E Street, SW, Room 1106
Washington, D.C. 20423

Re: Finance Docket No. 34936, Northern Columbia Basin Railroad Project in Moses Lake, Washington

Dear Ms. Rutson:

The purpose of this letter is to request that the Surface Transportation Board ("the STB") prepare an Environmental Assessment ("EA"), in lieu of an Environmental Impact Statement ("EIS"), for the rail line construction and operation project that is the subject of the above-referenced proceeding. In support of this request, the Port of Moses Lake ("Port") submits the following information for your consideration.

1. Proposed Action. The Port plans to construct a number of proposed railroad improvements in the Moses Lake area. Specifically, the Port proposes to build a new rail line from Wheeler Road to just east of Parker Horn, WA (thereby bypassing downtown Moses Lake) and a new line connecting the Columbia Basin Railroad Company's ("CBRC") existing line to the east side of the Grant County International Airport so that industries locating there can have rail service. In addition to the new line construction, it is anticipated that there will be some rehabilitation of the CBRC's existing line connecting the CBRC to the airport. The purpose of the proposed construction is to make the Moses Lake area more attractive to new rail-dependent businesses and promote economic development in the region.

2. Project Feasibility Study. Planning and work on this proposed project has been ongoing for an extended period of time. Among the project materials is an extensive feasibility study that was prepared for the Washington State Department of Transportation in February 2006. See Northern Columbia Basin Railroad Project Feasibility Study, February 2006 (“Feasibility Study”). That Feasibility Study examined the purpose and need for the project, the existing rail facilities and characteristics, proposed rail improvements and operations analysis of project segments. As part of the Feasibility Study, the project team screened alternative alignments for potential environmental impacts. This included an initial environmental review to determine alignment feasibility and identify potential flaws. The following resource categories were assessed from a qualitative standpoint in a series of evaluative questions:

- land use and growth,
- social and economic,
- transportation and traffic,
- visual quality,
- cultural resources,
- hydrology and floodplains,
- water quality and storm water run-off,
- hazardous materials,
- air quality,
- noise and vibration,
- vegetation,
- wildlife,
- fish,
- wetlands, and
- threatened and endangered species.

See Appendix C to Feasibility Study, Environmental Flaws Analysis Evaluation Matrix (appended hereto). None of the segment alternatives proved to have a fatal flaw that would prohibit its construction. It is anticipated that quantitative assessments of potential project impacts will be made during the preparation of environment documents by HDR Engineering, Inc., the environmental consultant to the STB and Washington State Department of Transportation (“WSDOT”).

3. Steps to initiate the Environmental Review Process. The more formal agency environmental review process began with a meeting with you and your staff on July 24, 2006. At that time, we discussed information contained in the feasibility study and reviewed maps and photographs of the area surrounding the proposed project.

During our meeting, we also discussed the fact that WSDOT would be conducting an environmental review of the proposed project under Washington State's Environmental Policy Act ("SEPA"), the state equivalent of NEPA. After our meeting, in a letter dated August 7, 2006, you invited WSDOT to serve as co-lead with the STB's Section of Environmental Analysis ("SEA") in the environmental review of the project. In your letter, you acknowledged that working together as a joint co-lead in the environmental documentation for this project would ensure an efficient and effective process for both SEA and WSDOT. On September 13, 2006, WSDOT accepted your invitation to serve as a co-lead. On October 4, 2006, you granted the Port's request to waive the six month pre-filing requirement set forth in 49 C.F.R. §1105.6(a).

4. Responses to Agency Consultation Letters. During early March 2007, the STB and WSDOT sent out approximately thirty consultation letters about the project to various federal and state agencies and other potential stakeholders. Ten responses were received so far.¹ Generally, the responses acknowledged the project proposal and shared relevant information in response. Although none of the letters raised substantial project-specific environmental issues, many of the agencies asked to be kept informed of the project developments as the environmental review process moves forward.

5. Agency Site Visit. On May 7, 2007, there was a site visit of the project area in Moses Lake. Attendees included Christa Dean of the STB and Andrew Wood and Elizabeth Phinney of WSDOT. Also in attendance were representatives from the Port and CBRC and the consultant team (HDR Engineering, Inc). Several hours were spent touring the entire project area. Photographs of various locations were taken by Christa Dean.

6. Project Meeting with Port and CBRC Representatives and discussions with environmental consultant team. Both before and after the site visit, meetings were held with representatives of HDR Engineering, Inc., the consulting firm that is assisting the STB and WSDOT with preparation of the environmental documentation for the project. Discussion during the meetings focused on the environmental technical studies that would be prepared to support the environmental documentation. The scope of work for the team is based on the project needs, responses to consultation letters, the site visit and all other environmental analyses that have been done to date on the project.

* * * *

¹ Responses to the agencies' consultation letter were received from: Grant County Economic Development Council, United States Fish and Wildlife Service, Port of Moses Lake, Grant County Public Works, Washington State Department of Archaeology & Historic Preservation, Transco, Washington State Department of Fish and Wildlife, Washington State Parks and Recreation Commission, U.S. Bureau of Land Management, Washington State Department of Transportation North Central Region.

The Board's regulations provide that an EIS normally be prepared for rail line construction projects. 49 C.F.R. § 1105.6 (a). Where "the particular proposal is not likely to have a significant environmental impact," the STB's rules allow for an EA to be prepared. 49 C.F.R. §1105.6 (d). Based on all of the foregoing activity and environmental information developed so far, the Port respectfully submits that an Environmental Assessment ("EA"), rather than an EIS, is the appropriate classification for this line construction project. An EA is sufficient in this proceeding under the §1105.6(d)'s standards because the proposed construction and operation of the new rail line is unlikely to have significant environmental impacts. Specifically, no project information developed to date indicates that there are likely to be significant impacts to environmental resource categories.

Please let me know if you need any additional information to respond to this request.

Sincerely,



Kathryn A. Kusske Floyd

Enclosure

cc: Christa L. Dean, Esq., SEA
Craig Baldwin, Port of Moses Lake
Albert Anderson, Port of Moses Lake
Brig Temple, Columbia Basin Railroad
Tim Marshall, Columbia Basin Railroad
Andrew Wood, WSDOT
Elizabeth Phinney, WSDOT

Appendix C

**Environmental Fatal Flaw Analysis
Evaluation Matrix**

**Northern Columbia Basin
Rail Project**

Exhibit C-1
Environmental Resource Categories and Evaluation Questions
Segment 1

Environmental Resource	Evaluation Question	Segment 1 Alternatives			
		1	2	3	Preferred
Human Environment					
Land Use and Growth	Is the facility incompatible with existing community plans and zoning?			No	
	Would it result in the displacement of homes, farm facilities, or businesses?			No	
	Would farmland be impacted?			Yes	
Social and Economic	Would the facility divide the community? Would it adversely impact low-income or minority populations? Would the facility take or disrupt park or recreation areas? Will the new facility deter or slow down emergency vehicles? Would the facility decrease pedestrian and bicycle safety?			No	
Transportation/Traffic	Would the facility impact vehicular circulation?			Maybe, new roadway crossings will be added to the transportation network.	
Visual Quality	Would the facility be a visual distraction to nearby residents?			No	
Cultural Resources	Would the facility take or disrupt historic or archeological resources?			Unable to determine at this time. An historical and archeological review will be necessary.	

**Exhibit C-1 (Continued)
Environmental Resource Categories and Evaluation Questions**

Environmental Resource	Evaluation Question	Segment 1 Alternatives			
		1	2	3	Preferred
Physical Environment					
Hydrology and Floodplains	Is the project located in a mapped floodplain or would it disrupt river flow?	No			
Water Quality and Storm Water Run-Off	Would the facility increase the impervious surface? Would the facility, or operation of the trains, contribute to decreased water quality?	No			
Hazardous Materials	Would construction of the route require the removal of extensive hazardous materials?	Unsure. A hazardous materials assessment will be required.			
Air Quality	Would air quality deteriorate as result of the route?	It is not anticipated that idling vehicles at roadway crossings will impact air quality. A hot spot analysis may be required to confirm.			
Noise and Vibration	Would construction vibration permanently damage any historic properties within the area?	Unable to determine at this time. An historical and archeological review will be necessary.			
	Would rail operations create noise impacts to homes or other sensitive facilities?	No			
	Would construction noise and vibration encourage wildlife and/or threatened and endangered species to permanently vacate their nests or habitat?	Unsure, a review of wildlife habitat in the general area needs to be performed.			

**Exhibit C-1 (Continued)
Environmental Resource Categories and Evaluation Questions**

Environmental Resource	Evaluation Question	Segment 1 Alternatives			
		1	2	3	Preferred
Biological Environment					
Vegetation	Would valuable vegetation be removed? Would land identified by the WDNR as unique or high quality native plant communities be affected?	No			
Wildlife	Would construction noise and vibration encourage wildlife and/or threatened and endangered species to permanently vacate their nests or habitat?	Unsure, a review of wildlife habitat in the general area needs to be performed.			
	Would the facility create a barrier for wildlife movement?	No			
Fish	Would construction noise and vibration encourage fish species to permanently vacate their nests or habitat? Would the project impact fish habitat?	No			
Wetlands	Would valuable wetlands be removed, thus destroying habitat?	No	Yes	No	No
Threatened and Endangered Species	Would construction noise and vibration encourage threatened and endangered species to permanently vacate their nests or habitat?	Unsure, a review of wildlife habitat in the general area needs to be performed.			

**Exhibit C-2
Environmental Resource Categories and Evaluation Questions
Segments 3 and 4**

Environmental Resource	Evaluation Question	Segment			
		3	4 Aban	4 Partial Aban/Rehab	4 Rehab
Human Environment					
Land Use and Growth	Is the facility incompatible with existing community plans and zoning?	No			
	Would it result in the displacement of homes, farm facilities, or businesses?	No	Yes	No	No
	Would farmland be impacted?	No			
Social and Economic	Would the facility divide the community? Would it adversely impact low-income or minority populations? Would the facility take or disrupt park or recreation areas? Will the new facility deter or slow down emergency vehicles? Would the facility decrease pedestrian and bicycle safety?	No			
Transportation/Traffic	Would the facility impact vehicular circulation?	No			
Visual Quality	Would the facility be a visual distraction to nearby residents?	No			
Cultural Resources	Would the facility take or disrupt historic or archeological resources?	No			

Exhibit C-2 (Continued)
Environmental Resource Categories and Evaluation Questions

Environmental Resource	Evaluation Question	Segment			
		3	4 Aban	4 Partial Aban/Rehab	4 Rehab
Physical Environment					
Hydrology and Floodplains	Is the project located in a mapped floodplain or would it disrupt river flow?	No			
Water Quality and Storm Water Run-Off	Would the facility increase the impervious surface? Would the facility, or operation of the trains, contribute to decreased water quality?	No			
Hazardous Materials	Would construction of the route require the removal of extensive hazardous materials?	Unsure. A hazardous materials assessment will be required.			
Air Quality	Would air quality deteriorate as result of the route?	No			
Noise and Vibration	Would construction vibration permanently damage any historic properties within the area?	No			
	Would rail operations create noise impacts to homes or other sensitive facilities?	No			
	Would construction noise and vibration encourage wildlife and/or threatened and endangered species to permanently vacate their nests or habitat?	Unsure, a review of wildlife habitat in the general area needs to be performed.			

Exhibit C-2 (Continued)
Environmental Resource Categories and Evaluation Questions

Environmental Resource	Evaluation Question	Segment			
		3	4 Aban	4 Partial Aban/Rehab	4 Rehab
Biological Environment					
Vegetation	Would valuable vegetation be removed? Would land identified by the WDNR as unique or high quality native plant communities be affected?	No			
Wildlife	Would construction noise and vibration encourage wildlife and/or threatened and endangered species to permanently vacate their nests or habitat?	Unsure, a review of wildlife habitat in the general area needs to be performed.			
	Would the facility create a barrier for wildlife movement?	No			
Fish	Would construction noise and vibration encourage fish species to permanently vacate their nests or habitat? Would the project impact fish habitat?	No			
Wetlands	Would valuable wetlands be removed, thus destroying habitat?	No			
Threatened and Endangered Species	Would construction noise and vibration encourage threatened and endangered species to permanently vacate their nests or habitat?	Unsure, a review of wildlife habitat in the general area needs to be performed.			

**Exhibit C-3
Environmental Resource Categories and Evaluation Questions
Segments 2 and 5**

Environmental Resource	Evaluation Question	Segment 5 Alternatives			
		2	5	5b	
Human Environment					
Land Use and Growth	Is the facility incompatible with existing community plans and zoning?	No			
	Would it result in the displacement of homes, farm facilities, or businesses?	Yes			
	Would farmland be impacted?	Yes			
Social and Economic	Would the facility divide the community? Would it adversely impact low-income or minority populations? Would the facility take or disrupt park or recreation areas? Will the new facility deter or slow down emergency vehicles? Would the facility decrease pedestrian and bicycle safety?	No			
		Maybe, new roadway crossings will be added to the transportation network.			
		Maybe, new roadway crossings will be added to the transportation network.			
Transportation/Traffic	Would the facility impact vehicular circulation?	Maybe, new roadway crossings will be added to the transportation network.			
Visual Quality	Would the facility be a visual distraction to nearby residents?	No			
Cultural Resources	Would the facility take or disrupt historic or archeological resources?	Unable to determine at this time. An historical and archeological review will be necessary.			

Exhibit C-3 (Continued)
Environmental Resource Categories and Evaluation Questions

Environmental Resource	Evaluation Question	Segment 5 Alternatives			
		2	5	5b	
Physical Environment					
Hydrology and Floodplains	Is the project located in a mapped floodplain or would it disrupt river flow?	No			
Water Quality and Storm Water Run-Off	Would the facility increase the impervious surface? Would the facility, or operation of the trains, contribute to decreased water quality?	No			
Hazardous Materials	Would construction of the route require the removal of extensive hazardous materials?	Unsure. A hazardous materials assessment will be required.			
Air Quality	Would air quality deteriorate as result of the route?	It is not anticipated that idling vehicles at roadway crossings will impact air quality. A hot spot analysis may be required to confirm.			
Noise and Vibration	Would construction vibration permanently damage any historic properties within the area?	Unable to determine at this time. An historical and archeological review will be necessary.			
	Would rail operations create noise impacts to homes or other sensitive facilities?	No			
	Would construction noise and vibration encourage wildlife and/or threatened and endangered species to permanently vacate their nests or habitat?	Unsure, a review of wildlife habitat in the general area needs to be performed.			

**Exhibit C-3 (Continued)
Environmental Resource Categories and Evaluation Questions**

Environmental Resource	Evaluation Question	Segment 5 Alternatives			
		2	5	5b	
Biological Environment					
Vegetation	Would valuable vegetation be removed? Would land identified by the WDNR as unique or high quality native plant communities be affected?	Unsure, further engineering will be required to ensure that native sage fields are not disrupted.			
Wildlife	Would construction noise and vibration encourage wildlife and/or threatened and endangered species to permanently vacate their nests or habitat?	Unsure, a review of wildlife habitat in the general area needs to be performed.			
	Would the facility create a barrier for wildlife movement?	No			
Fish	Would construction noise and vibration encourage fish species to permanently vacate their nests or habitat? Would the project impact fish habitat?	No			
Wetlands	Would valuable wetlands be removed, thus destroying habitat?	No	Unsure, wetland review and classifications will be required.		
Threatened and Endangered Species	Would construction noise and vibration encourage threatened and endangered species to permanently vacate their nests or habitat?	Unsure, a review of wildlife habitat in the general area needs to be performed.			

