

David H. Coburn  
202 429 8063  
dcoburn@steptoe.com

1330 Connecticut Avenue, NW  
Washington, DC 20036-1795  
202 429 3000 main  
www.steptoe.com

**Steptoe**  
STEPTOE & JOHNSON LLP

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VIA ELECTRONIC FILING

Honorable Cynthia T. Brown  
Chief, Section of Administration  
Surface Transportation Board  
395 E Street SW  
Washington DC 20423

**Re: Finance Docket No. 30186, Tongue River Railroad Company, Inc.--  
Rail Construction and Operation--In Custer, Powder River and  
Rosebud Counties, MT**

Dear Ms. Brown:

This letter is written on behalf of Tongue River Railroad Company, Inc. ("TRRC") to clarify information in the December 17, 2012 Supplemental Application for Construction and Operation Authority filed by TRRC.

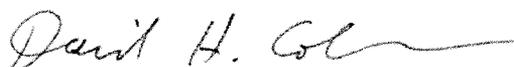
Page 22 of the Supplemental Application states that "[t]he need for the rail line is more apparent now because a mine that will be served by the railroad is in the process of being developed in the Otter Creek area. In 1986 when the ICC approved the Miles City route, no mine permit application had been filed for any mine that would be served by the TRRC rail line."

In fact, in 1986 when the ICC approved the initial Tongue River Railroad alignment in the *TRRC I* proceeding, a mine that would have been served by the railroad—the Montco Mine—had previously received a permit from the Montana Department of State Lands to construct and operate a coal mine south of Ashland, Montana. *See TRRC I* Final Environmental Impact Statement, at Section 1.2.1 (August 23, 1985). The Montco Mine permit, however, expired following the preparation of the Final Environmental Impact Statement for *TRRC II* (Finance Docket No. 30186 (Sub. No. 2)). *See TRRC III* Final Supplemental EIS, at 2-32 (October 2006) ("In regards to the Montco Mine, the permit has expired since the preparation of Tongue River II.").

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The fact that the Otter Creek mine is moving forward toward obtaining a permit demonstrates the need for the TRRC line and remains a reason for granting the TRRC Application. In that regard, after TRRC's December 17 Application was filed, on December 28, 2012 the Montana Department of Environmental Quality and Department of Natural Resources and Conservation announced the commencement of the public scoping process as of January 3, 2013 in connection with Montana's environmental review of the Otter Creek mine permit application.

Respectfully,



Betty Jo Christian  
David H. Coburn  
Linda S. Stein

Attorneys for Tongue River Railroad Company, Inc.

cc: All parties of record