

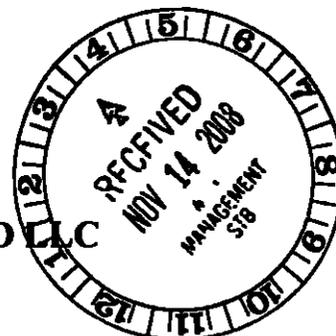
223980

EXHIBIT D

**ENVIRONMENTAL REPORT
(49 C.F.R. SECTION 1105.7)**

DOCKET NO. AB-1026X

**BELLINGHAM INTERNATIONAL RAILROAD LLC
- ABANDONMENT EXEMPTION -
WHATCOM COUNTY, WASHINGTON**



**ENTERED
Office of Proceedings
NOV 14 2008
Part of
Public Record**

1. *Proposed Actions and Alternatives.* Describe the proposed action, including commodities transported, the planned disposition (if any) of any rail line and other structures that may be involved, and any possible changes in the current operations or maintenance practices. Also describe any reasonable alternatives to the proposed action. Include a readable, detailed map and drawings clearly delineating the project.

Bellingham International Railroad LLC ("BIR") proposes to abandon its rail service easement over the 2-mile rail line located between milepost 2.98 and milepost 4.98, in Bellingham, Whatcom County, Washington (the "Line"). The real estate underlying the rail line is owned by BNSF Railway Company ("BNSF") and, upon abandonment of the rail service easement, BIR is contractually obligated to transfer ownership of the rail, track materials and cross ties to BNSF. It is BIR's understanding that BNSF intends to remove the rail, track materials, and cross ties.

According to BNSF, during the removal of the rail and track materials, BNSF does not anticipate the use of any access roads, the need to conduct dredging, or the use of fill. Only existing public and private access roads and the right-of-way should be needed to facilitate the salvage operations. In addition, BNSF has no plans of disturbing the underlying roadbed. BNSF does not intend to remove the two bridges on the Line.

The Line has not been used for local traffic in over 4 years and no maintenance has been performed on any portion of the Line. The Line is stub-ended and not capable of handling overhead traffic. Therefore, the proposed abandonment will not change rail freight operations or maintenance practices on this Line.

The only alternative to abandonment would be to not abandon the Line.

A map of the proposed abandonment is attached as Exhibit 1.

2. *Transportation System.* Describe the effects of the proposed action on regional or local transportation systems and patterns. Estimate the amount of traffic (passenger and freight) that will be diverted to other transportation systems or modes as a result of the proposed action.

No passenger or freight traffic will be diverted to other modes as a result of the proposed abandonment. No local traffic has moved over the Line in over 4 years and the Line is not capable of handling overhead traffic. Therefore, the proposed abandonment will have no adverse effects on local or regional transportation systems or patterns.

3. Land Use. (i) Based on consultation with local and/or regional planning agencies and/or a review of the official planning documents prepared by such agencies, state whether the proposed action is consistent with existing land use plans. Describe any inconsistencies. (ii) Based on the consultation with the U.S. Soil Conservation Service, state the effect of the proposed action on any prime agricultural land. (iii) If the action affects land or water uses within a designated coastal zone, include the coastal zone information required by §1105.9. (iv) If the proposed action is an abandonment, state whether or not the right-of-way is suitable for alternative public use under 49 U.S.C. 10905 § and explain why.

(i) BIR is confident that the proposed abandonment will be consistent with local land use plans. BIR contacted the local government of Whatcom County. See Exhibit 2. To date, no response to this inquiry has been received. A copy of this Report is being supplied to the Whatcom County Council for their information and comment.

(ii) BIR contacted the Natural Resource and Conservation Service ("NRCS") and requested assistance in identifying any potential effects on prime agricultural land. See Exhibit 3. In its response, NRCS stated that "the proposed abandonment will have no effect on any prime agricultural, or other important farmlands." See Exhibit 3.

(iii) The Line is located within a designated coastal county. BIR contacted the Washington Department of Ecology ("Dept of Ecology") seeking their assistance in determining whether the proposed abandonment is consistent with their coastal zone management plan. See Exhibit 4. The response of the Washington Department of Ecology is attached as Exhibit 4.

(iv) The right-of-way involved does not appear to be suitable for alternative public use other than as a recreational trail. The City of Bellingham has expressed an interest in using the right-of-way for a trail.

4. Energy. (i) Describe the effect of the proposed action on transportation of energy resources. (ii) Describe the effect of the proposed action on recyclable commodities. (iii) State whether the proposed action will result in an increase or decrease in overall energy efficiency and explain why. (iv) If the proposed action will cause diversions from rail to motor carriage of more than: (A) 1,000 rail carloads a year; or (B) an average of 50 rail carloads per mile per year for any part of the affected line, quantify the resulting net change in energy consumption and show data and methodology used to arrive at the figure given.

(i) The proposed abandonment will have no effect on the transportation of energy resources.

(ii) The proposed abandonment will have no effect on the transportation of recyclable commodities.

(iii) The proposed abandonment will have no adverse effect on overall energy efficiency since no local traffic has moved over the Line in over 4 years and the Line is not capable of handling overhead traffic. The traffic that previously moved over the Line has been transferred either to other modes or other routings.

(iv) The proposed abandonment will not cause the diversion of any rail traffic to motor carriage since no local traffic has been handled over the Line in over 4 years and the Line is not capable of handling overhead traffic.

5. Air. (i) If the proposed action will result in either: (A) An increase in rail traffic of at least 100 percent (measured in gross ton miles annually) or an increase of at least eight trains a day on any segment of rail line affected by the proposal, or (B) An increase in rail yard activity of at least 100 percent (measured by carload activity), or (C) 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, quantify the anticipated effect on air emissions. For a proposal under 49 U.S.C. § 10901 (or 10502) to construct a new line or reinstitute service over a previously abandoned line, only the eight train a day provision in subsection (5)(i)(A) will apply. (ii) If the proposed action affects a class I or non-attainment area under the Clean Air Act, and will result in either: (A) An increase in rail traffic of at least 50 percent (measured in gross ton miles annually) or an increase of at least three trains a day on any segment of rail line, (B) An increase in rail yard activity of at least 20 percent (measured by carload activity), or (C) An average increase in truck traffic of more than 10 percent of the average daily traffic or 50 vehicles a day on a given road segment, then state whether any expected increased emissions are within the parameters established by the State Implementation Plan. However, for a rail construction under 49 U.S.C. § 10901 (or 49 U.S.C. § 10505), or a case involving the reinstatement of service over a previously abandoned line, only the three train a day threshold in this item shall apply. (iii) If transportation of ozone depleting materials (such as nitrogen oxide and freon) is contemplated, identify: the materials and quantity; the frequency of service; safety practices (including any speed restrictions); the applicant's safety record (to the extent available) on derailments, accidents and spills; contingency plans to deal with accidental spills; and the likelihood of an accidental release of ozone depleting materials in the event of a collision or derailment.

(1) The proposed abandonment will not result in meeting or exceeding these thresholds.

(ii) The proposed abandonment will not result in meeting or exceeding these thresholds

(iii) The proposed abandonment will not affect the transportation of ozone depleting materials

6. Noise. If any of the thresholds identified in item 5(i) of this section are surpassed, state whether the proposed action will cause: (i) an incremental increase in noise levels of three decibels Ldn or more; or (ii) An increase to a noise level of 65 decibels Ldn or greater. If so, identify sensitive receptors (e.g., schools, libraries, hospitals, residences, retirement communities, and nursing homes) in the project area, and quantify the noise increase for these receptors if the thresholds are surpassed.

Not applicable

7. Safety. (i) Describe any effects of the proposed action on public health and safety (including vehicle delay time at railroad grade crossings). (ii) If hazardous materials are expected to be transported, identify: the materials and quantity; the frequency of service; whether chemicals are being transported that, if mixed, could react to form more hazardous compounds; safety practices (including speed restrictions); the applicant's safety record (to the extent available) on derailments, accidents and hazardous spills; the contingency plans to deal with accidental spills; and the likelihood of an accidental release of hazardous materials. (iii) If there are any known hazardous waste sites or sites where there have been known hazardous materials spills on the right-of-way, identify the location of those sites and the types of hazardous materials involved.

(i) The proposed abandonment will have no detrimental effects on public health and safety

(ii) The proposed abandonment will have no effect on the transportation of hazardous materials.

(iii) BIR is unaware of any hazardous waste sites or sites where hazardous spills have occurred on or along the right-of-way.

8. Biological Resources. (i) Based on consultations with the U.S. Fish and Wildlife Service, state whether the proposed action is likely to adversely affect endangered or threatened species or areas designated as critical habitat, and if so, describe the effects. (ii) State whether wildlife sanctuaries or refuges, National or State parks or forests will be affected, and describe any effects.

(i) BIR notified the U.S. Fish and Wildlife Service ("FWS") of the proposed abandonment and requested assistance in determining whether endangered or threatened species or areas designated as a critical habitat are likely to be adversely affected. See

Exhibit 5 No response to this inquiry has been received to date A copy of this Report is being supplied to FWS for its information and comment

(ii) There are no wildlife sanctuaries or refuges, National or State parks or forests along the Line that would be adversely affected by the proposed abandonment. Nevertheless, BIR contacted the National Park Service ("NPS") of the proposed abandonment and requested assistance in identifying any potential effects on wildlife sanctuaries or refuges, National or State parks or forests See Exhibit 6 No response to this inquiry has been received to date A copy of this Report is being supplied to NPS for its information and comment

9. Water. (i) Based on consultation with the State water quality officials, state whether the proposed action is consistent with applicable Federal, State or local water quality standards. Describe any inconsistencies. (ii) Based on consultation with the Army Corps of Engineers, state whether permits under section 404 of the Clean Water Act (33 U.S.C. § 1344) are required for the proposed action and whether any designated wetlands or 100-year flood plains will be affected. Describe the effects. (iii) State whether permits under section 402 of the Clean Water Act (33 U.S.C. § 1342) are required for the proposed action.

(i) BIR is confident the proposed abandonment will not be inconsistent with applicable water quality standards The Line crosses the Squalicum creek at one location However, any salvage operations of the rails on the bridge over Squalicum creek should have no impact on water quality in the area. Nevertheless, BIR contacted the Dept of Ecology and the U.S Environmental Protection Agency ("EPA") concerning this matter requesting assistance in determining whether the proposed abandonment is consistent with applicable Federal, State, or local water quality standards. See Exhibit 7. According to the Dept of Ecology, permits may be required if the abandonment activities impact waters, including wetlands. See Exhibit 7 To date, no response has been received from EPA. A copy of this Report is being supplied to Dept of Ecology and EPA for their information and further comment

(ii) BIR contacted the Corps of Engineers ("Corps") concerning these matters. See Exhibit 8. The Corps' response is attached in Exhibit 8. Since the track materials will be owned by BNSF, BIR cannot, at this time, state with certainty how the line will be salvaged However, based on discussions with BNSF, BNSF intends merely to remove the steel rails, other track materials and wooden ties. All of that can be accomplished from adjacent roadways. BNSF intends to leave the bridges in place and explore the possibility of railbanking the line with the city of Bellingham. Consequently, BIR believes the proposed abandonment will not require the issuance of any permits under Section 404 of the Clean Water Act. A copy of this Report is being supplied to the Corps for its information and further comment.

(iii) BIR believes the proposed abandonment will not require the issuance of any permit under Section 402 of the Clean Water Act. BIR contacted the EPA concerning this matter and requested assistance in identifying any potential effects on

applicable water quality standards and determining whether the proposed abandonment is consistent with applicable Federal, State, or local water quality standards See Exhibit 7. To date, no response to this inquiry has been received A copy of this Report is being supplied to the EPA for its information and comment

10. *Proposed Mitigation.* Describe any actions that are proposed to mitigate adverse environmental impacts, indicating why the proposed mitigation is appropriate.

BIR does not anticipate any adverse environmental impact from the proposed abandonment and, therefore, sees no need for any mitigating actions



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EXHIBIT 2

KARI MORELL
OF COUNSEL

kmorell@bjllp.com

June 2, 2008

Whatcom County Council
311 Grand Avenue, Suite 105
Bellingham, Washington 98225

**RE: STB Docket No. AB-1026X, Bellingham International Railroad
LLC --Abandonment Exemption--In Whatcom County,
Washington**

Dear Sirs

Bellingham International Railroad LLC ("BIR") is planning to file a Notice Exemption with the Surface Transportation Board ("STB"), on or about August 5, 2008, for BIR to abandon its rail service easement over the 2-mile rail line located between milepost 2.98, and milepost 4.98, in Bellingham, Whatcom County, Washington (the "Line"). A map of the proposed abandonment is attached

After the abandonment of its rail service easement is authorized, BIR will re-convey to BNSF Railway Company ("BNSF") the tracks and track structures on the Line. BNSF currently owns the underlying right-of-way. During the removal of track and materials, if any, BIR does not anticipate the use of any new access roads, the need to conduct dredging, or the use of fill. Only existing public and private access roads and the right-of-way should be needed to facilitate operations. In addition, the underlying roadbed will not be disturbed. There are two small bridges on the Line. BIR has no plans to remove the bridges. If one or more of the bridges are removed, any debris or other material can be removed from the area, preventing any of the material from entering waterways.

Pursuant to the STB's environmental regulations at 49 C.F.R., Part 1105, we are advising you of this proposed action so that you may assist us in identifying any potential effects on existing land use plans. We must determine whether the proposed abandonment is inconsistent with existing land use plans.

June 2, 2008

Page 2

We would appreciate your review of the proposed abandonment and any comments you may wish to offer. We would also appreciate you providing us with a written response so that we can forward it to the STB

Thank you in advance for your prompt assistance. If you have any questions concerning this matter, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Karl Morell". The signature is written in a cursive style with a large, sweeping initial "K".

Karl Morell

Attorney for.

Bellingham International Railroad LLC

BALL JANIK LLP

A T T O R N E Y S

EXHIBIT 3

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KARI MORELL
OF COUNSEL

kmorcll@bjllp.com

June 2, 2008

State Conservationist
USDA Natural Resources Conservation Service
316 W Boone Avenue, Suite 450
Spokane, WA 99201-2348

**RE: STB Docket No. AB-1026X, Bellingham International Railroad
LLC –Abandonment Exemption—In Whatcom County,
Washington**

Dear Sir/Madam:

Bellingham International Railroad LLC (“BIR”) is planning to file a Notice Exemption with the Surface Transportation Board (“STB”), on or about August 5, 2008, for BIR to abandon its rail service easement over the 2-mile rail line located between milepost 2 98, and milepost 4 98, in Bellingham, Whatcom County, Washington (the “Line”). A map of the proposed abandonment is attached.

After the abandonment of its rail service easement is authorized, BIR will re-convey to BNSF Railway Company (“BNSF”) the tracks and track structures on the Line. BNSF currently owns the underlying right-of-way. During the removal of track and materials, if any, BIR does not anticipate the use of any new access roads, the need to conduct dredging, or the use of fill. Only existing public and private access roads and the right-of-way should be needed to facilitate operations. In addition, the underlying roadbed will not be disturbed. There are two small bridges on the Line. BIR has no plans to remove the bridges. If one or more of the bridges are removed, any debris or other material can be removed from the area, preventing any of the material from entering waterways.

Pursuant to the STB's environmental regulations at 49 C.F.R., Part 1105, we are advising you of this proposed action so that you may assist us in identifying any potential effects on prime agricultural land.

BALL JANIK LLP

June 2, 2008

Page 2

We would appreciate your review of the proposed abandonment and any comments you may wish to offer. We would also appreciate you providing us with a written response so that we can forward it to the STB.

Thank you in advance for your prompt assistance. If you have any questions concerning this matter, please contact me.

Sincerely,

A handwritten signature in black ink that reads "Karl Morell". The signature is written in a cursive style with a large, prominent "K" and "M".

Karl Morell

Attorney for:

Bellingham International Railroad LLC



Natural Resources Conservation Service
1011 East Main, Suite 106
Puyallup, WA 98372
(253) 845-9272, Fax (253) 445-9934

August 6, 2008

Karl Morell
Attorney for Bellingham International Railroad LLC
Ball Janik LLP
1455 F Street NW, Suite 225
Washington, D C 20005

Re STB Docket No AB-1026X, Bellingham International Railroad LLC
Abandonment Exemption – in Whatcom, County, WA

Dear Mr. Morell.

I have reviewed the area of the proposed railroad line abandonment. Since the proposed abandonment will be limited to the railroad right of way and no lands outside of the right of way will be impacted, and the site is in an area that is in urban development, the proposed abandonment will have no effect on any prime agricultural, or other important farmlands

Please contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Charles Natsuhara".

Charles Natsuhara
Area Resource Soil Scientist

CC Alex Hall, NRCS Resource Conservationist, Lynden, WA

BALL JANIK LLP
ATTORNEYS

EXHIBIT 4

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KARI MORELL
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June 2, 2008

Ms Penny Keys
Shore Lands and Coastal Zone Management Program
P.O. Box 47600
Olympia, WA 98504-7600

**RE: STB Docket No. AB-10__X, Bellingham International Railroad
LLC –Abandonment Exemption—In Whatcom County,
Washington**

Dear Ms. Keys

Bellingham International Railroad LLC (“BIR”) is planning to file a Notice Exemption with the Surface Transportation Board (“STB”), on or about August 5, 2008, for BIR to abandon its rail service easement over the 2-mile rail line located between milepost 2.98, and milepost 4.98, in Bellingham, Whatcom County, Washington (the “Line”). A map of the proposed abandonment is attached.

After the abandonment of its rail service easement is authorized, BIR will re-convey to BNSF Railway Company (“BNSF”) the tracks and track structures on the Line. BNSF currently owns the underlying right-of-way. During the removal of track and materials, if any, BIR does not anticipate the use of any new access roads, the need to conduct dredging, or the use of fill. Only existing public and private access roads and the right-of-way should be needed to facilitate operations. In addition, the underlying roadbed will not be disturbed. There are two small bridges on the Line. BIR has no plans to remove the bridges. If one or more of the bridges are removed, any debris or other material can be removed from the area, preventing any of the material from entering waterways.

Pursuant to the STB’s environmental regulations at 49 C.F.R., Part 1105, BIR is required to contact your agency to determine if the proposed abandonment will affect land or water uses within a designated coastal zone. Also, if the proposed abandonment is subject to your review, please let us know whether the proposed abandonment is consistent with your coastal zone management plan.

June 2, 2008

Page 2

We would appreciate your review of the proposed abandonment and any comments you may wish to offer. We would also appreciate you providing us with a written response so that we can forward it to the STB

Thank you in advance for your prompt assistance. If you have any questions concerning this matter, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Karl Morell". The signature is written in a cursive, flowing style.

Karl Morell

Attorney for

Bellingham International Railroad LLC



STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY

PO Box 47600 • Olympia, WA 98504-7600 • 360-407-6000
711 for Washington Relay Service • Persons with a speech disability can call 877-833-6341

June 16, 2008

Mr Karl Morell
Ball Jamk LLP
1455 F Street NW, Suite 225
Washington, D C 20005

RE: STB Docket No. AB-10_X, Bellingham International Railroad LLC—Abandonment Exemption, Whatcom County, Washington

Dear Mr Morell

I have received your request for comments regarding the proposed railroad abandonment between milepost 2 98 and milepost 4 98 in Bellingham, Washington.

Since the abandonment location is within a designated coastal county, consistency with Washington's Coastal Zone Management Program is required for any federal activity, any activity requiring federal approval, or any activity utilizing federal funds. A Certification of Consistency form and supporting documentation will be required to review a project for consistency.

If any of the abandonment activities will impact waters of the U S or waters of the state, including wetlands, approval from the Army Corps of Engineers (Rivers and Harbors Act Section 10 and/or Clean Water Act Section 404) and the WA Dept of Ecology (Clean Water Act Section 401) may be required. When working near waters or wetlands, I recommend the use of Best Management Practices to protect the resources from indirect impacts. For more information on Department of the Army permits, please contact Jim Green at (206) 764-6906 or james.d.green@nws02.usace.army.mil. For more information on Section 401, please contact Rebekah Padgett at (425) 649-7129 or rpad461@ecy.wa.gov.

For more information about compliance with Clean Water Act Section 402, I recommend contact Jerry Shervey at Ecology's Northwest Regional Office. He can be reached at (425) 649-7215 or gshe461@ecy.wa.gov.

Please let me know if you have any additional questions or need more information regarding Coastal Zone Management consistency. I can be reached at (360) 407-7421 or jemo461@ecy.wa.gov.

Sincerely,

Jessica Moore
Federal Permit Unit
Shorelands and Environmental Assistance Program
Washington Department of Ecology



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June 2, 2008

U.S. Fish and Wildlife Service
Eastern Federal Complex
911 NE 11th Avenue
Portland, OR 97232-4181

**RE: STB Docket No. AB-1026X, Bellingham International Railroad
LLC --Abandonment Exemption--In Whatcom County,
Washington**

Dear Sir/Madam

Bellingham International Railroad LLC ("BIR") is planning to file a Notice Exemption with the Surface Transportation Board ("STB"), on or about August 5, 2008, for BIR to abandon its rail service easement over the 2-mile rail line located between milepost 2.98, and milepost 4.98, in Bellingham, Whatcom County, Washington (the "Line"). A map of the proposed abandonment is attached.

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Pursuant to the STB's environmental regulations at 49 C.F.R., Part 1105, we are advising you of this proposed action so that you may assist us in determining whether it is likely to adversely affect endangered or threatened species or areas designated as a critical habitat.

June 2, 2008

Page 2

We would appreciate your review of the proposed abandonment and any comments you may wish to offer. We would also appreciate you providing us with a written response so that we can forward it to the STB.

Thank you in advance for your prompt assistance. If you have any questions concerning this matter, please contact me

Sincerely,

A handwritten signature in black ink that reads "Karl Morell". The signature is written in a cursive style with a large, prominent initial "K".

Karl Morell

Attorney for

Bellingham International Railroad LLC

BALL JANIK LLP

EXHIBIT 6

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KARI MORELL
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June 2, 2008

National Park Service
RTCA Program
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9th Floor
Org Code 2240
Washington, D.C. 20005

National Park Service
RTCA Program
One Jackson Street, Suite 700
Oakland, CA 94607

**RE: STB Docket No. AB-1026X, Bellingham International Railroad
LLC --Abandonment Exemption--In Whatcom County,
Washington**

Dear Sir/Madam:

Bellingham International Railroad LLC ("BIR") is planning to file a Notice Exemption with the Surface Transportation Board ("STB"), on or about August 5, 2008, for BIR to abandon its rail service easement over the 2-mile rail line located between milepost 2 98, and milepost 4 98, in Bellingham, Whatcom County, Washington (the "Line"). A map of the proposed abandonment is attached.

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Pursuant to the STB's environmental regulations at 49 C.F.R., Part 1105, we are advising you of this proposed action so that you may assist us in identifying any potential effects on wildlife sanctuaries or refuges, National or State parks or forests.

June 2, 2008

Page 2

We would appreciate your review of the proposed abandonment and any comments you may wish to offer. We would also appreciate you providing us with a written response so that we can forward it to the STB.

Thank you in advance for your prompt assistance. If you have any questions concerning this matter, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Karl Morell". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Karl Morell

Attorney for

Bellingham International Railroad LLC

BALL JANIK LLP
ATTORNEYS

EXHIBIT 7

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KARI MORETTI
OF COUNSEL

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June 2, 2008

Department of Ecology
P.O. Box 47600
Olympia, WA 98504-7600

**RE: STB Docket No. AB-1026X, Bellingham International Railroad
LLC --Abandonment Exemption -In Whatcom County,
Washington**

Dear Sir/Madam:

Bellingham International Railroad LLC ("BIR") is planning to file a Notice Exemption with the Surface Transportation Board ("STB"), on or about August 5, 2008, for BIR to abandon its rail service easement over the 2-mile rail line located between milepost 2.98, and milepost 4.98, in Bellingham, Whatcom County, Washington (the "Line"). A map of the proposed abandonment is attached.

After the abandonment of its rail service easement is authorized, BIR will re-convey to BNSF Railway Company ("BNSF") the tracks and track structures on the Line. BNSF currently owns the underlying right-of-way. During the removal of track and materials, if any, BIR does not anticipate the use of any new access roads, the need to conduct dredging, or the use of fill. Only existing public and private access roads and the right-of-way should be needed to facilitate operations. In addition, the underlying roadbed will not be disturbed. There are two small bridges on the Line. BIR has no plans to remove the bridges. If one or more of the bridges are removed, any debris or other material can be removed from the area, preventing any of the material from entering waterways.

Pursuant to the STB's environmental regulations at 49 C.F.R., Part 1105, we are advising you of this proposed action so that you may assist us in identifying any potential effects on applicable water quality standards. We also seek your assistance in determining whether the proposed abandonment is consistent with applicable Federal, State or local water quality

June 2, 2008

Page 2

standards. BIR does not believe any permits under Section 402 of the Clean Water Act will be required.

We would appreciate your review of the proposed abandonment and any comments you may wish to offer. We would also appreciate you providing us with a written response so that we can forward it to the STB.

Thank you in advance for your prompt assistance. If you have any questions concerning this matter, please contact me.

Sincerely,

A handwritten signature in black ink that reads "Karl Morell". The signature is written in a cursive, flowing style.

Karl Morell

Attorney for

Bellingham International Railroad LLC

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KARL MORILL
OF COUNSEL

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April 2, 2008

U.S. Environmental Protection Agency
1200 Sixth Street
Seattle, WA 98101

**RE: STB Docket No. AB-1026X, Bellingham International Railroad
LLC --Abandonment Exemption--In Whatcom County,
Washington**

Dear Sir/Madam

Bellingham International Railroad LLC ("BIR") is planning to file a Notice Exemption with the Surface Transportation Board ("STB"), on or about August 5, 2008, for BIR to abandon its rail service easement over the 2-mile rail line located between milepost 2.98, and milepost 4.98, in Bellingham, Whatcom County, Washington (the "Line"). A map of the proposed abandonment is attached.

After the abandonment of its rail service easement is authorized, BIR will re-convey to BNSF Railway Company ("BNSF") the tracks and track structures on the Line. BNSF currently owns the underlying right-of-way. During the removal of track and materials, if any, BIR does not anticipate the use of any new access roads, the need to conduct dredging, or the use of fill. Only existing public and private access roads and the right-of-way should be needed to facilitate operations. In addition, the underlying roadbed will not be disturbed. There are two small bridges on the Line. BIR has no plans to remove the bridges. If one or more of the bridges are removed, any debris or other material can be removed from the area, preventing any of the material from entering waterways.

Pursuant to the STB's environmental regulations at 49 C.F.R., Part 1105, we are advising you of this proposed action so that you may assist us in identifying any potential effects on applicable water quality standards. We also seek your assistance in determining whether the proposed abandonment is consistent with applicable Federal, State or local water quality

June 2, 2008

Page 2

standards. BIR does not believe any permits under Section 402 of the Clean Water Act will be required

We would appreciate your review of the proposed abandonment and any comments you may wish to offer. We would also appreciate you providing us with a written response so that we can forward it to the STB.

Thank you in advance for your prompt assistance. If you have any questions concerning this matter, please contact me

Sincerely,

A handwritten signature in black ink, appearing to read "Karl Morell". The signature is written in a cursive, flowing style.

Karl Morell

Attorney for

Bellingham International Railroad LLC



STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY

PO Box 47600 • Olympia, WA 98504-7600 • 360-407-6000
711 for Washington Relay Service • Persons with a speech disability can call 877-833-6341

June 16, 2008

Mr. Karl Morell
Ball Janik LLP
1455 I Street NW, Suite 225
Washington, DC 20005

RE: STB Docket No. AB-10-X, Bellingham International Railroad LLC—Abandonment Exemption, Whatcom County, Washington

Dear Mr. Morell

I have received your request for comments regarding the proposed railroad abandonment between milepost 2.98 and milepost 4.98 in Bellingham, Washington.

Since the abandonment location is within a designated coastal county, consistency with Washington's Coastal Zone Management Program is required for any federal activity, any activity requiring federal approval, or any activity utilizing federal funds. A Certification of Consistency form and supporting documentation will be required to review a project for consistency.

If any of the abandonment activities will impact waters of the U.S. or waters of the state, including wetlands, approval from the Army Corps of Engineers (Rivers and Harbors Act Section 10 and/or Clean Water Act Section 404) and the WA Dept of Ecology (Clean Water Act Section 401) may be required. When working near waters or wetlands, I recommend the use of Best Management Practices to protect the resources from indirect impacts. For more information on Department of the Army permits, please contact Jim Green at (206) 764-6906 or james.d.green@nws02.usace.army.mil. For more information on Section 401, please contact Rebekah Padgett at (425) 649-7129 or rp461@ecy.wa.gov.

For more information about compliance with Clean Water Act Section 402, I recommend contact Jerry Shervey at Ecology's Northwest Regional Office. He can be reached at (425) 649-7215 or gshe461@ecy.wa.gov.

Please let me know if you have any additional questions or need more information regarding Coastal Zone Management consistency. I can be reached at (360) 407-7421 or jemo461@ecy.wa.gov.

Sincerely,

Jessica Moore
Federal Permit Unit
Shorelands and Environmental Assistance Program
Washington Department of Ecology



BALL JANIK LLP

A T T O R N E Y S

1455 I STREET NW, SUITE 225
WASHINGTON, D.C. 20005

www.balljanik.com

TELEPHONE 202-638-3307

FACSIMILE 202-783-6947

EXHIBIT 8

KARL MORELL
OF COUNSEL

kmorell@bjllp.com

June 2, 2008

U.S. Army Corps of Engineer, Seattle District
P O. Box 3755
Seattle, WA 98124-3755

**RE: STB Docket No. AB-1026X, Bellingham International Railroad
LLC –Abandonment Exemption—In Whatcom County,
Washington**

Dear Sir/Madam:

Bellingham International Railroad LLC ("BIR") is planning to file a Notice Exemption with the Surface Transportation Board ("STB"), on or about August 5, 2008, for BIR to abandon its rail service easement over the 2-mile rail line located between milepost 2.98, and milepost 4.98, in Bellingham, Whatcom County, Washington (the "Line"). A map of the proposed abandonment is attached.

After the abandonment of its rail service easement is authorized, BIR will re-convey to BNSF Railway Company ("BNSF") the tracks and track structures on the Line. BNSF currently owns the underlying right-of-way. During the removal of track and materials, if any, BIR does not anticipate the use of any new access roads, the need to conduct dredging, or the use of fill. Only existing public and private access roads and the right-of-way should be needed to facilitate operations. In addition, the underlying roadbed will not be disturbed. There are two small bridges on the Line. BIR has no plans to remove the bridges. If one or more of the bridges are removed, any debris or other material can be removed from the area, preventing any of the material from entering waterways.

Pursuant to the STB's environmental regulations at 49 C.F.R., Part 1105, we are advising you of this proposed action so that you may assist us in identifying any potential effects on designated wetlands or 100-year flood plains. BIR does not believe any permits under Section 404 of the Clean Water Act will be required.

June 2, 2008

Page 2

We would appreciate your review of the proposed abandonment and any comments you may wish to offer. We would also appreciate you providing us with a written response so that we can forward it to the SIB.

Thank you in advance for your prompt assistance. If you have any questions concerning this matter, please contact me.

Sincerely,

A handwritten signature in black ink that reads "Karl Morell". The signature is written in a cursive, flowing style.

Karl Morell

Attorney for

Bellingham International Railroad LLC

Morell, Karl

From: Perry, Randel J NWS [Randel.J.Perry@usace.army.mil]

Sent: Friday, June 06, 2008 3:20 PM

To: Morell, Karl

Subject: Bellingham International Railroad abandonment

Mr. Morell:

I have received your letter dated June 2, 2008 requesting comments on the proposed abandonment of the Bellingham International Railroad service over a 2 mile segment of rail line at Bellingham, Whatcom County, Washington. Your letter requested our assistance in identifying any potential effects on jurisdictional wetlands and to provide a statement on whether a Department of the Army (Corps) permit under Clean Water Act (CWA) Section 404 regulations would be required for the proposed action.

I do not have information on the location or extent of wetlands adjacent to the rail line but I believe that such features may exist. If there is any question of wetland presence, I would recommend having a qualified wetlands biologist conduct a survey.

Your letter provides a brief description of the proposed work that appears to involve removal of rails and "track structures" from the rail line. The work area would be accessed via existing roads and right-of-ways and no excavation or placement of fill in wetlands would occur. Before I can make a determination on whether Section 404 authorization is needed, I will need the following additional info:

- a. Please provide a description of "track structures" and a more detailed description of the proposed work. For example, *"Steel rails and wooden ties will be removed from the existing road bed by mechanical equipment operating from adjacent roadways. All removed material will be disposed of at an upland site. No fill in wetlands or streams will be needed for temporary access to the work area or for material storage areas."*
- b. In regard the existing bridges, your letter states that BIR will not be removing them, then goes on to say that if they are removed, no material would be allowed to enter the water. Please identify who might be removing the bridges if not BIR. If removal of the bridges involves removal of abutments and restoration of stream banks involving work below the ordinary high water line for Squalicum Creek or its tributaries, a Corps permit may be required.

Please feel free to contact me if you have any questions.

Randel Perry
Army Corps of Engineers
Seattle District Regulatory Branch
206-764-6985

6/10/2008

ENTERED
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Public Record

223980

EXHIBIT E

**HISTORIC REPORT
(49 CFR SECTION 1105.8)**

DOCKET NO. AB-1026X

**BELLINGHAM INTERNATIONAL RAILROAD-LLC
- ABANDONMENT EXEMPTION -
WHATCOM COUNTY, WASHINGTON**



The Historic Report should contain the information required by Section 1105.7(e)(1) of the Environmental Report prepared for the proposed abandonment:

1. *Proposed Actions and Alternatives.* Describe the proposed action, including commodities transported, the planned disposition (if any) of the rail line and other structures that may be involved, and any possible changes in current operations or maintenance practices. Also describe any reasonable alternatives to the proposed action. Include a readable, detailed map and drawings clearly delineating the project.

Bellingham International Railroad LLC ("BIR") proposes to abandon its rail service easement over the 2-mile rail line located between milepost 2.98 and milepost 4.98, in Bellingham, Whatcom County, Washington (the "Line"). The real estate underlying the rail line is owned by BNSF Railway Company ("BNSF") and, upon abandonment of the rail service easement, BIR is contractually obligated to transfer ownership of the rail, track materials and cross ties to BNSF. It is BIR's understanding that BNSF intends to remove the rail, track materials, and cross ties.

According to BNSF, during the removal of the rail and track materials, BNSF does not anticipate the use of any access roads, the need to conduct dredging, or the use of fill. Only existing public and private access roads and the right-of-way should be needed to facilitate the salvage operations. In addition, BNSF has no plans of disturbing the underlying roadbed. BNSF does not intend to remove the two bridges on the Line.

The Line has not been used for local traffic in over 4 years and no maintenance has been performed on any portion of the Line. The Line is stub-ended and not capable of handling overhead traffic. Therefore, the proposed abandonment will not change rail freight operations or maintenance practices on this Line.

The only alternative to abandonment would be to not abandon the Line.

A map of the proposed abandonment is attached as Exhibit 1.

HISTORIC REPORT

1. A U.S.G.S. topographic map (or an alternate map drawn to scale and sufficiently detailed to show buildings and other structures in the vicinity of the proposed action) showing the location of the proposed action, and the locations and approximate dimensions of railroad structures that are 50 years or older and are part of the proposed action.

Two U.S. Geological Survey maps depicting the Line proposed for abandonment were supplied to the Washington State Historic Preservation Officer ("SHPO"). See Exhibit 2. There are two (2) small bridges located on the Line.

2. A written description of the right-of-way (including approximate widths, to the extent known) and the topography and urban and/or rural characteristics of the surrounding area.

The Line begins at milepost 2.98, west of Eldridge Avenue in Bellingham, and extends generally in a northeasterly direction to the end of the line at milepost 4.98, east of Meridian Street in Bellingham.

3. Good quality photographs (actual photographic prints, not photocopies) of railroad structures on the property that are 50 years or older and of the immediate surrounding area.

Pictures of the two bridges are attached as Exhibit 3.

4. The date(s) of construction of the structure(s), and extent of any major alterations, to the extent such information is known.

The date of construction of the two bridges is unknown to BIR but both appear to be 50 years old or older.

5. A brief narrative history of carrier operations in the area, and an explanation of what, if any, changes are contemplated as a result of the proposed action.

In 1998, BIR acquired the exclusive rail service easement over the Line as well as the track, track materials and related structures ("Track Materials"). STB Finance Docket No. 33635, *Bellingham International Railroad LLC – Acquisition and Operation Exemption – The Burlington Northern and Santa Fe Railway Company* (not printed), served August 4, 1998. Pursuant to the agreement between BIR and BNSF's predecessor, BIR is obligated to transfer the Track Materials back to BNSF upon abandonment of the Line by BIR.

From the commencement of operations in 1998 until all operations ceased on May 14, 2004, the only traffic handled on the Line was for Bellingham Cold Storage Company, the parent of BIR.

6. A brief summary of documents in the carrier's possession, such as engineering drawings, that might be useful in documenting a structure that is found to be historic.

BIR does not possess any such documents.

7. An opinion (based on readily available information in the railroad's possession) as to whether the site and/or structures meet the criteria for listing on the National Register of Historic Places (36 C.F.R. 60.4), and whether there is a likelihood of archeological resources or any other previously unknown historic properties in the project area, and the basis for these opinions (including any consultations with the State Historic Preservation Office, local historical societies or universities).

The Line contains no historic structures and BIR is unaware of any archeological resources or railroad historic properties along the Line.

On June 12, 2008, BIR sent a letter to the SHPO eliciting their views on the proposed abandonment. *See Exhibit 2.* In response, the SHPO concurred in BIR's assessment "that no historic properties will be affected by the current undertaking as proposed" *See Exhibit 4.*

8. A description (based on readily available information in the railroad's possession) of any known prior subsurface ground disturbance or fill, environmental conditions (naturally occurring or manmade) that might affect the archeological recovery of resources (such as swampy conditions or the presence of toxic waste), and the surrounding terrain.

There are no existing records as to the nature any known subsurface ground disturbance or fill, or environmental condition that might affect the archeological recovery of any potential resources.

9. Within 30 days of receipt of the historic report, the State Historic Preservation Officer may request the following additional information regarding specified nonrailroad owned properties or groups of properties immediately adjacent to the railroad right-of-way: photographs of specified properties that can be readily seen from the railroad right-of-way (or other public rights-of-way adjacent to the property) and a written description of any previously discovered archeological sites, identifying the location and type of the site (i.e., prehistoric or native American).

BIR does not foresee the likelihood that any additional information will need to be supplied in association with the proposed line abandonment. However, if any additional information is requested, BIR will promptly supply the necessary information.



BALL JANIK LLP

EXHIBIT 2

A T T O R N E Y S

1455 F STREET, NW, SUITE 225
WASHINGTON, D C 20005

www.balljanik.com

TELEPHONE: 202 638-3307

FACSIMILE: 202 783 6947

KARL MORELL
OF COUNSEL

kmorell@bjllp.com

June 12, 2008

Washington State Historical Society
1911 Pacific Avenue
Tacoma, WA 98402

**RE: STB Docket No. AB-1026X, Bellingham International Railroad
LLC –Abandonment Exemption—In Whatcom County,
Washington**

Dear Sir/Madam:

Bellingham International Railroad LLC ("BIR") is planning to file a Notice of Exemption with the Surface Transportation Board ("STB"), on or about August 5, 2008, for BIR to abandon its rail service easement over the 2-mile rail line located between milepost 2.98, and milepost 4.98, in Bellingham, in Whatcom County, Washington (the "Line"). One of the requirements for this filing with the STB is that the abandoning railroad must contact the State Historic Preservation Office regarding the proposed abandonment.

Enclosed are two U.S. Geological Survey maps depicting the area where the rail line is located. The proposed abandonment may involve the removal of the rail, track material, and crossties, however, there are currently no plans to remove any existing structures along the track.

The 2-mile rail line the BIR seeks to abandon begins at milepost 2.98, west of Eldridge Avenue in Bellingham, and extends generally in a northeasterly direction to the end of the line at milepost 4.98, east of Meridian Street in Bellingham.

There are two (2) small bridges on the rail line that appear to be 50 years old or older. Pictures of the bridges and their approximate milepost locations are attached. These structures are quite common in design and construction and, in BIR's view, have no historical significance.

BALL JANIK LLP

June 12, 2008

Page 2

We will send you a copy of the Historic Report as soon as it is completed. If I can of further assistance regarding this matter, please call me at (202) 638-3307.

Sincerely,

A handwritten signature in black ink that reads "Karl Morell". The signature is written in a cursive style with a large, prominent "K" and "M".

Karl Morell

Attorney for

Bellingham International Railroad LLC

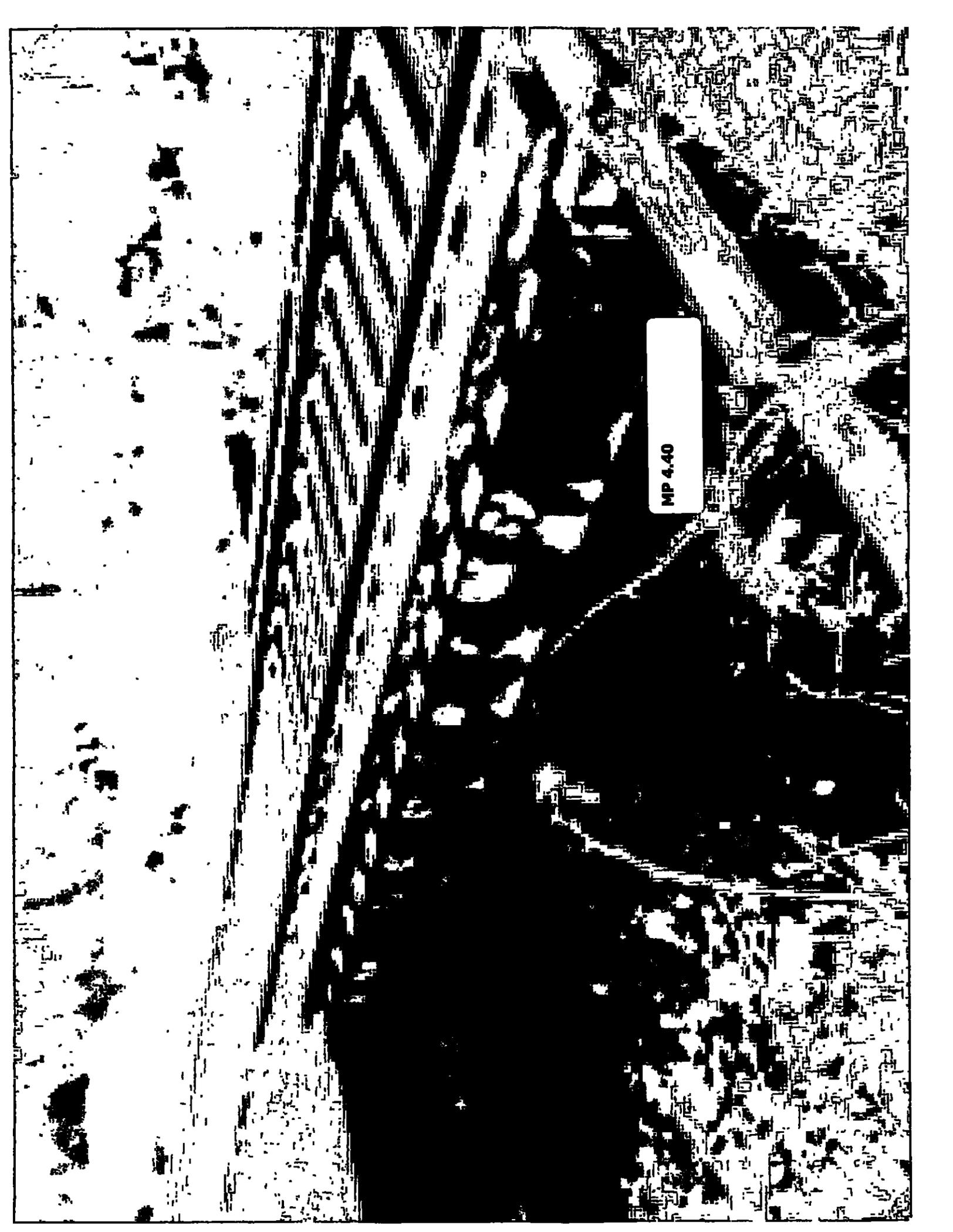
Enclosures

EXHIBIT 3

MP 4.00

910
37



An aerial photograph showing a road winding through a landscape. The road is dark and appears to be a two-lane road. The surrounding area is a mix of light and dark patches, possibly representing fields, forests, or urban areas. A white rectangular label with the text 'MP 4.40' is overlaid on the road. The image is rotated 90 degrees clockwise.

MP 4.40



STATE OF WASHINGTON

DEPARTMENT OF ARCHAEOLOGY & HISTORIC PRESERVATION

1063 S. Capitol Way, Suite 106 • Olympia, Washington 98501
Mailing address: PO Box 48343 • Olympia, Washington 98504-8343
(360) 586-3065 • Fax Number (360) 586-3067 • Website: www.dahp.wa.gov

June 19, 2008

Mr. W. Douglas Buttrey
Chairman
Surface Transportation Board
1925 K Street NW
Washington DC 20423-0001

In future correspondence please refer to:

Log# 061908-08-STB
Property Bellingham International Railroad Abandonment (STB #AB-1026X)
Re No Historic Properties Affected

Dear Mr. Buttrey

Recently, the Washington State Department of Archaeology and Historic Preservation (DAHP) was contacted by the representatives of the Bellingham International Railroad concerning the above referenced undertaking. This project has been reviewed on behalf of the State Historic Preservation Officer (SHPO is the executive in charge of DAHP) under provisions of Section 106 of the National Historic Preservation Act of 1966 (as amended) and 36 CFR Part 800. My review is based upon documentation contained in your communication.

We concur with the findings of representatives of Bellingham International Railroad that no historic properties will be affected by the current undertaking as proposed. If additional information on the project becomes available, or if any archaeological resources are uncovered during construction, please ensure that work is halted in the area of discovery and contact the appropriate Native American Tribes and SHPO for further consultation.

Thank you for the opportunity to review and comment. If you have any questions, please contact me

Sincerely,

Russell Holter
Project Compliance Reviewer
(360) 586-3533
russell.holter@dahp.wa.gov

Cc Karl Morell (BIRR)



DEPARTMENT OF ARCHAEOLOGY & HISTORIC PRESERVATION

Protect the Past, Shape the Future