

## **SURFACE TRANSPORTATION BOARD ANNOUNCES DECISION TO PREPARE ENVIRONMENTAL IMPACT STATEMENT ON "DM&E" PROPOSAL TO ROUTE COAL TRAINS OVER FORMER "IMRL" NETWORK**

The Surface Transportation Board (STB) announced its decision today to proceed immediately with the preparation of a full environmental impact statement (EIS) on the environmental effects of the proposal by the Dakota, Minnesota & Eastern Railroad Corporation (DM&E) to route coal trains from the Powder River Basin (PRB) on the former I&M Rail Link (IMRL) system in Iowa, Illinois, Minnesota, Wisconsin, and Missouri.

This decision derives from the STB's obligation, under the National Environmental Policy Act (NEPA), to consider environmental impacts of federal governmental actions, such as the STB's approval of the DM&E's purchase of the former IMRL. The STB had previously imposed a condition on its approval of DM&E's purchase of the IMRL restricting DM&E coal train traffic from the PRB in Wyoming over the IMRL until completion of the environmental review process. That condition will remain in effect until completion of the EIS.

In the meantime, the DM&E is not restricted in any manner from operating trains carrying any commodity other than PRB coal or from undertaking track improvement work on the IMRL. Today's announcement allows ample time for the STB to complete the EIS prior to the DM&E's planned commencement of PRB coal train traffic over the IMRL.

In announcing today's unanimous decision, STB Chairman Charles D. Nottingham said:

**"The DM&E's proposal to bring safe, competitive rail access into the Powder River Basin and to deliver large quantities of clean, low-sulfur coal over several rail routes will significantly advance key national transportation and energy policy priorities. The decision to proceed immediately with an environmental impact statement allows the STB to meet federal environmental law requirements, protects the project from legal attack, and should ensure that the environmental review process is completed prior to the DM&E's planned commencement of PRB coal train traffic over the IMRL. The STB will continue to give the DM&E project our highest priority consideration-commensurate with the project's national importance."**

The STB's decision to conduct an EIS was made after reviewing a summary of potential environmental impacts submitted to the agency by the DM&E in November 2006. This summary analysis (called an "Environmental Appendix") was published by the STB, and the STB received numerous comments on it in December 2006 and January 2007. The U.S. Department of Transportation, the Illinois Department of Transportation, the Iowa Department of Transportation, the City of Dubuque and others presented strong arguments that the STB should conduct a thorough review of the anticipated cumulative environmental impacts of the DM&E's related and interconnecting rail improvement projects.

The decision discussed above was made in *Iowa, Chicago, & Eastern Railroad Corporation-Acquisition and Operation Exemption-Lines of I&M Rail Link, LLC*, STB Finance Docket No. 34177. The recommendation of the STB's Section of Environmental Analysis is available for viewing and downloading [via this link](#). (Alternatively, the

recommendation may be viewed and downloaded via the STB's Web site, at [www.stb.dot.gov](http://www.stb.dot.gov), under the "Environmental Matters" button on the home page; then under "Environmental Correspondence" on the dropdown; then, when the next page appears with the yellow band across the top, look to the top, left-hand corner and click on the fourth line item, "Outgoing by Docket Number." When the next page appears, scroll downwardly until the docket number, "FD\_34177\_0" appears at the left and click on the right-pointing "carrot" just to the left of that number. Finally, when the next page opens, click on the number, "EO-407." .

In a separate matter, the STB's 2006 decision authorizing the DM&E to construct and operate a new 280-mile line from Wall, South Dakota into the PRB was affirmed by the United States Court of Appeals for the Eighth Circuit in December 2006 (see the STB's December 28, 2006 news release, titled "Court of Appeals Affirms Surface Transportation Board Decision Approving 'Dakota, Minnesota & Eastern's' Powder River Basin Expansion Project," [via this link.](#))

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