



MONTANA ENVIRONMENTAL INFORMATION CENTER

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May 9, 2003

Kenneth Blodgett
Section of Environmental Analysis
Surface Transportation Board, Case Control Unit
Washington, DC 20423-0001

Re: Scoping Comments on STB Finance Docket No. 30186 (Sub-No. 3), Tongue River III

The Montana Environmental Information Center appreciates the opportunity to offer these comments on the scope of the environmental document for Tongue River III. We believe the Board made the proper decision in seeking new comments on the final scope of the SEIS for the Tongue River Railroad's (TRR) Western Alignment. There are new issues that need to be addressed in the document.

Wildlife

While the 1999 Final Scope document indicates that wildlife impacts will be addressed, the SEA should avail itself of the opportunity to complete wildlife inventories not done for Tongue River II. If memory serves, there were approximately 20 miles of Tongue River II that were not surveyed for wildlife, wildlife data from the Ashland and Decker areas was simply extrapolated to cover the entire route. The Western Alignment will cross some of the area not surveyed previously.

Since the permitting of Tongue River II, elk have returned in greater numbers to the upper Tongue River country. SEA needs to examine the impacts of the entire stretch of the TRR on elk populations.

Coal Bed Methane

Full-scale coal bed methane development is about to come to southeastern Montana. The upper Tongue River country, especially the area of the proposed Western Alignment and the area of Tongue River II, will be the heart of this development. Methane development will significantly alter the character of the physical environment and the entire TRR project ought to be examined in this light. Land use will change dramatically in the area, the construction of roads, pipeline, compressor stations, wells, etc. Construction of a railroad will exacerbate these changes. Also, air quality will become of greater concern; emissions from compressor stations combined with the air quality problems associated with construction and operation of a railroad need to be examined.

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Dakota, Minnesota and Eastern

The impacts of the DM&E on the entire TRR project need to be addressed. The scoping notice indicates that the TRR Company is going to address the DM&E issue. The STB ought to commission independent analysis as well. It is unlikely, especially in light of its track record, that TRR Company will present any information that does not cast its project in the most overly-optimistic light.

Due Diligence

It has been 20 years since Tongue River I was proposed, and 17 years since it was authorized. It has been 12 years since Tongue River II was proposed and 7 years since it was authorized to move forward. It's already been 5 years since the Tongue River III application was filed. During this entire time, the TRR Company has made grandiose predictions and projections about its project and coal development in the region. Nothing has happened. The TRR Company hasn't secured its necessary secondary permits; it has made little progress in securing right of way and its financing remains questionable. The Board correctly attached a condition to the Tongue River II authorization requiring construction in three years.

Unfortunately the Board did not follow through with this requirement. If the Board ultimately decides to grant authorization for the Western Alignment, it needs to include a due diligence component. The environmental analysis for Tongue River III needs to address when, and if, construction will actually occur and adjust its analysis accordingly.

Economics

The economics of the TRR have never made sense. This is borne out by the fact the project has never been constructed. The economics make no more sense today than they did in 1983 when Tongue River I was proposed. This issue has to be addressed.

The scoping notice indicates that TRR Company is going to discuss the transfer of the Otter Creek Coal tracts to Montana in its discussion of the transportation merits of the project. The Otter Creek Coal tracts are completely irrelevant to Tongue River III. Rail transportation to these tracts is already authorized in Tongue River I. The change of ownership of the coal is immaterial. Tongue River III does not come within 20 miles of the Otter Creek tracts.

TRR Company also indicates it will supplement the record with tonnage and financial forecasts, its financial structure and plans for financing the project. This will all likely be recycled from previous filings by the TRR Company. None of the TRR Company's forecasts have proven to be accurate in the past, and its financing plans have never shown fruit. At some point, the Board must stop relying on the exceedingly optimistic projections and reports offered by the TRR Company and commission its own analysis. This type of analysis should have been done for Tongue River II and ought to be included

in the environmental document for Tongue River III so the public has an opportunity to review and comment on it.

Segmentation

Finally, the Board should not be a party to the obvious segmentation of this entire project. Tongue River III should not be examined as a supplement to the previous EISs. For once, and finally, the Tongue River Railroad needs to be examined in its entirety, from Miles City to Decker, in one document. The EIS for Tongue River I is nearly 20 years old, and even the EIS for Tongue River II is nearing staleness. We urge the Board to broaden its examination of this railroad and take a close look at the entire route.

Again, we thank you for the opportunity to comment. Please add us to the service list for this docket.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Barber", written over the word "Sincerely,".

Jeff Barber
MEIC Program Director