

EO - 1057



**SURFACE TRANSPORTATION BOARD**  
**Washington, DC 20423**

*Office of Economics, Environmental Analysis and Administration*

September 12, 2007

Mr. Donald Perrin  
Office of Project Management/Permitting  
Southcentral Regional Office  
Alaska Department of Natural Resources  
Anchorage, Alaska 99501

Re: STB Finance Docket No. 34658, The Alaska Railroad Corporation – Petition for Exemption to Construct and Operate a Rail Line Between North Pole and Delta Junction, Alaska

Dear Mr. Perrin:

I am writing to invite the Alaska Department of Natural Resources (ADNR) to be a cooperating agency in the preparation of the environmental review described below:

On July 6, 2007, the Alaska Railroad Corporation (ARRC) filed a petition with the Surface Transportation Board (Board), pursuant to 49 U.S.C. 10502, requesting authority to construct and operate a new rail line between North Pole and Delta Junction, Alaska. The proposed project would involve the construction of approximately 80 miles of new rail line connecting the existing rail line near North Pole, Alaska to a point near Delta Junction, Alaska. Construction of the proposed rail line would provide all the major military installations in Alaska with rail access to the Port of Anchorage. ARRC also intends to provide passenger rail service between Fairbanks and Delta Junction, and as a common carrier, ARRC would be obligated to provide freight rail service upon request to any future shippers on the proposed line.

The construction and operation of this project has the potential to result in significant environmental impacts. Therefore, the Board's Section on Environmental Analysis (SEA) determined that the preparation of an Environmental Impact Statement (EIS) is appropriate. SEA issued a Notice of Intent to Prepare an Environmental Impact Statement and Draft Scope of Study on November 1, 2005, and held public scoping meetings in December 2005 as part of the EIS process.

Based on agency consultations conducted by SEA and its third-party contractor (ICF International) for this proposed project, SEA determined that the project could impact properties under the jurisdiction of or use by a number of Federal agencies. Therefore, consistent with 40

CFR 1501.6, SEA previously invited the following Federal agencies to be cooperating agencies in the preparation of this EIS on the basis of their special expertise or jurisdiction by law:

- U.S. Department of Defense, Alaskan Command,
- U.S. Department of Defense, 354<sup>th</sup> Fighter Wing Command,
- U.S. Army Corps of Engineers – Alaska District,
- U.S. Department of Interior, Bureau of Land Management – Alaska State Office,
- U.S. Coast Guard, Seventeenth Coast Guard District,
- U.S. Department of Transportation, Federal Railroad Administration, and
- U.S. Department of Transportation, Federal Transit Administration – Region 10

Based on recently enacted state legislation (i.e., Alaska Stat. § 42.40.460 [2005]), SEA would now like to extend an invitation to ADNR to be a cooperating agency in the preparation of this EIS based on your agency's jurisdiction by law.

If you have any questions, please feel free to contact Dave Navecky of my staff at 202-245-0294 (e-mail address: [naveckyd@stb.dot.gov](mailto:naveckyd@stb.dot.gov)), or Alan Summerville, ICF Consulting project manager, at 703-934-3616 (e-mail address: [ASummerville@icfconsulting.com](mailto:ASummerville@icfconsulting.com)). I would appreciate your response by October 19, 2007. We look forward to working with you in the near future.

Sincerely,



Victoria Rutson  
Chief  
Section of Environmental Analysis

**MEMORANDUM OF UNDERSTANDING**

**BETWEEN**

**SURFACE TRANSPORTATION BOARD  
AND  
ALASKA DEPARTMENT OF NATURAL RESOURCES**

**CONCERNING GRANTING COOPERATIVE AGENCY STATUS  
AND THE PREPARATION OF THE  
NORTHERN RAIL EXTENSION PROJECT  
ENVIRONMENTAL IMPACT STATEMENT**

**1. BACKGROUND.** On July 6, 2007, the Alaska Railroad Corporation (ARRC) filed a petition with the Surface Transportation Board (STB) pursuant to 49 U.S.C. 10502 for authority to construct and operate a new rail line from the vicinity of North Pole to Delta Junction, Alaska. The case has been docketed as STB Finance Docket No. 34658. The proposed project, referred to as the Northern Rail Extension Project, would involve the construction and operation of approximately 80 miles of new main line track. In anticipation of ARRC's filing, the STB issued a Notice of Intent to prepare an Environmental Impact Statement (EIS) in the *Federal Register* on November 1, 2005.

The purpose of the proposed Northern Rail Extension Project is to expand ARRC's freight and passenger rail service in the region. According to ARRC, the project would support the following:

- Commercial freight service for businesses and communities on and near the proposed rail corridor.
- Passenger rail service with scheduled station stops between North Pole and Delta Junction.
- Additional opportunities for tourists to access this region of Alaska.
- Land access for the Department of Defense to the Tanana Flats and Donnelly training areas.

**2. PURPOSE.** The purpose of this Memorandum of Understanding is to identify the Alaska Department of Natural Resources (ADNR) as a cooperating agency on the EIS, pursuant to 40 CFR 1501.6, "Cooperating Agencies." By signing this Memorandum of Understanding, ADNR shall be granted cooperating agency status.

**3. LEAD AGENCY.** The STB shall be the lead agency, pursuant to 40 CFR 1501.5(c), "Lead Agency," and shall supervise the preparation of the EIS. The environmental review process shall be consistent with the National Environmental Policy Act, 42 U.S.C. 4321 *et seq.* (NEPA), the NEPA implementing regulations of the Council on Environmental Quality at 40 CFR Parts 1500-1508, and the environmental rules of the STB at 49 CFR Part 1105. As provided for in 40 CFR 1501.6(a) (2), the STB shall "use environmental analysis and proposals of cooperating agencies with jurisdiction by law or

special expertise, to the maximum extent possible consistent with its responsibility as lead agency.”

#### **4. AGENCY DECISIONS**

**4.1 Surface Transportation Board.** The STB shall decide whether or not to grant authority, pursuant to 49 U.S.C. 10901 and 10502, to ARRC to construct and operate the Northern Rail Extension Project.

**4.2 Alaska Department of Natural Resources.** For lands under state ownership, ADNR shall determine whether the location of the proposed rail line minimizes adverse effects on existing and potential rights-of-way and land uses, pursuant to Alaska Stat. § 42.40.460 (2005). The EIS to be prepared by the STB shall be used by ADNR to fulfill its environmental review requirements in its consideration of any rail line corridor identified by ARRC on state-owned land.

**5. RESPONSIBILITIES.** As the lead agency, the STB shall supervise the preparation of the EIS, which shall be prepared with the assistance of a third-party contractor pursuant to 49 CFR Part 1105, under the direction, supervision and control of the STB. While the contractor shall be paid for by proponent ARRC, the proponent shall have no supervision over the contractor regarding preparation of the EIS. The contractor selected to assist in the preparation the EIS is ICF International, Fairfax, Virginia.

The EIS shall disclose and analyze the potential environmental impacts related to land use, biological resources, water resources, geology and soils, air quality, noise and vibration, socioeconomics, safety, transportation systems, cultural and historic resources, subsistence, recreation, aesthetics, environmental justice and cumulative impacts. Attachment A – Draft Final Scope of Study – specifies in greater detail the analyses to be addressed.

The STB agrees to coordinate and communicate with ADNR during preparation of the EIS. Any analysis that takes place for issues subject to the jurisdiction of ADNR shall be guided by the respective regulations, laws and policies of ADNR, so that the EIS, when completed, shall provide the information needed for any decision-making purposes by ADNR.

ADNR shall provide information to the STB, as needed. Each agency may develop Interdisciplinary Teams or designate specialists to review the analysis and provide direction or comment where necessary to meet applicable laws, regulations and policies without undue delay. At a minimum, ADNR shall be provided the opportunity to review the following documents during this NEPA review process:

- Preliminary Draft EIS, and
- Preliminary Final EIS.

If the analyses indicate that mitigation would be appropriate, ADNR shall assist in the development of mitigation measures applicable to ADNR. ADNR shall also assist in the formulation of responses to public comments on the Draft EIS that pertain to ADNR regulatory oversight, and other related issues, as appropriate.

Each agency shall work toward completing appropriate NEPA compliance and reviews in a timely manner.

## **6. PROJECT CONTACTS**

### **Surface Transportation Board**

David Navecky  
Surface Transportation Board  
395 E Street, SW  
Washington, DC 20423-0001  
Phone: 202-245-0294  
FAX: 202-245-0454  
Email: naveckyd@stb.dot.gov

### **Alaska Department of Natural Resources**

Donald Perrin  
Office of Project Management/Permitting  
Southcentral Regional Office  
Alaska Department of Natural Resources  
Anchorage, Alaska 99501  
Phone: 907-269-7476  
FAX: 907-269-3981  
Email: donald.perrin@alaska.gov

**7. NON-FUND OBLIGATING DOCUMENT.** This document is neither a fiscal nor a funds obligation document. Any endeavor involving reimbursement, contribution of funds, or transfer of value between the parties of this instrument will be handled in accordance with applicable laws, regulations and procedures including those for government procurement and printing. Such endeavors shall be outlined in separate agreements that shall be made in writing by representatives of the parties and shall be independently authorized by appropriate statutory authority. This instrument does not provide such authority. Specifically, this instrument does not establish authority for noncompetitive award to the cooperator of any contract or other agreement. Any contract or agreement for training or other services must fully comply with all applicable requirements for competition.

**8. EXPIRATION.** The Memorandum of Understanding shall be in effect for a period of two years from the executed date, and shall terminate at the end of that time unless otherwise modified, formally cancelled, or renewed by the parties.

**9. MODIFICATION AND AMENDMENT.** This Memorandum of Understanding may be modified or amended in writing by mutual agreement of the parties.

**10. TERMINATION.** Either party to this agreement may terminate the instrument in whole or part in writing, at any time before the date of expiration, with 30 days written notice.

**11. PARTICIPATION IN SIMILAR ACTIVITIES.** This instrument in no way restricts the cooperating agency from participating in similar activities with other public or private agencies, organizations, or individuals.

**12. EFFECTIVE DATE.** This Memorandum of Understanding shall be effective as of the last signature date.

**SURFACE TRANSPORTATION BOARD**

Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
Victoria Rutson, Chief  
Section of Environmental Analysis

**ALASKA DEPARTMENT OF NATURAL RESOURCES**

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ATTACHMENT A  
DRAFT FINAL SCOPE OF STUDY  
NORTHERN RAIL EXTENSION PROJECT  
ENVIRONMENTAL IMPACT STATEMENT**

## **Draft Final Scope of Analysis for the EIS**

### **Proposed Action and Alternatives**

The proposed Northern Rail Extension Project includes construction of approximately 80 miles of new rail line connecting the existing rail line near Eielson AFB near North Pole, Alaska to a point near Fort Greely and the Donnelly Training Area near Delta Junction, Alaska. The proposed project could also include the construction of a 15-mile spur line from Flag Hill to the Blair Lakes Military Training Area. The proposed line would provide freight and passenger rail services for defense facilities, commercial interests, and communities in or near the project corridor. The proposed rail line would also provide the U.S. Army with year round access to the Tanana Flats and Donnelly training areas and all the major military installations in Alaska would be accessible by rail.

The reasonable and feasible alternatives that will be evaluated in the EIS are (1) construction and operation of the proposed project along the proposed alignments, (2) other alternatives that might be identified during the scoping process, and (3) the no-action alternative.

### **Environmental Impact Analysis**

#### **Proposed New Construction**

Analysis in the EIS will address the proposed activities, including material sources, associated with the construction and operation of new rail facilities and their potential environmental impacts for the range of alternatives suggested as reasonable and feasible, as appropriate.

#### **Impact Categories**

The EIS will analyze potential direct and indirect impacts for each alternative of the proposed construction and operation of new rail facilities on the human and natural environment, or in the case of the no-action, of the lack of these activities. Impact areas addressed will include the categories of land use, biological resources, water resources including wetlands and other waters of the US, navigation, geology and soils, air quality, noise, energy resources, socioeconomics as they relate to physical changes in the environment, safety, transportation systems, cultural and historic resources, subsistence, recreation, aesthetics, and environmental justice. Other categories of impacts may also be included as a result of comments received during the scoping process or the draft EIS. The EIS will include a discussion of each of these categories as they currently exist in the project area and will address the potential direct and indirect impacts of each alternative on each category as described below:

## 1. Safety

The EIS will:

- a. Describe existing road/rail grade crossing safety and analyze the potential for an increase in accidents related to the new rail operations, as appropriate.
- b. Describe existing rail operations and analyze the potential for increased probability of train accidents, as appropriate.
- c. Describe hazardous materials safety factors for the transportation of hazardous materials and analyze the potential for a release of those materials, as appropriate.
- d. Evaluate the potential for disruption and delays to the movement of emergency vehicles due to new rail line construction and operation for each alternative.
- e. Propose mitigative measures to minimize or eliminate potential project impacts to safety, as appropriate.

## 2. Land Use

The EIS will:

- a. Evaluate potential impacts of each alternative on existing land use patterns within the project area and identify those land uses that would be potentially impacted by new rail line construction.
- b. Analyze the potential impacts associated with each alternative to land uses identified within the project area. Such potential impacts may include incompatibility with existing land uses and conversion of land to railroad uses.
- c. Propose mitigative measures to minimize or eliminate potential impacts to land use, as appropriate.

## 3. Biological Resources

The EIS will:

- a. Evaluate the existing biological resources within the project area, including vegetative communities, wildlife and fisheries, wetlands, and Federal and state threatened or endangered species and the potential impacts to these resources resulting from each alternative.
- b. Describe any wildlife sanctuaries, refuges, national or state parks, forests, or grasslands and evaluate the potential impacts to these resources resulting from each alternative.
- c. Propose mitigative measures to avoid, minimize, or compensate for potential impacts to biological resources, as appropriate.

4. Water Resources

The EIS will:

- a. Describe the existing surface water and groundwater resources within the project area, including lakes, rivers, streams, stock ponds, wetlands, and floodplains and analyze the potential impacts on these resources resulting from each alternative.
- b. Describe the permitting requirements for the various alternatives with regard to wetlands, stream and river crossings, water quality, and erosion control.
- c. Propose mitigative measures to avoid, minimize or compensate for potential project impacts to water resources, as appropriate.

5. Navigation

The EIS will:

- a. Identify existing navigable waterways within the project area and analyze the potential impacts on navigability resulting from each alternative.
- b. Describe the permitting requirements for the various alternatives with regards to navigation.
- c. Propose mitigative measures to minimize or eliminate potential impacts to navigation, as appropriate.

6. Geology and Soils

The EIS will:

- a. Describe the geology, soils, and permafrost found within the project area, including unique or problematic geologic formations or soils, prime farmland, and hydric soils and analyze the potential impacts on these resources resulting from the various alternatives for construction and operation of a new rail line.
- b. Evaluate potential measures employed to avoid or construct through unique or problematic geologic formations, soils, or permafrost.
- c. Propose mitigative measures to minimize or eliminate potential project impacts to geology and soils, as appropriate.

7. Air Quality

The EIS will:

- a. Evaluate rail-related air emissions, if the alternative affects a Class I or non-attainment area as designated under the Clean Air Act.
- b. Discuss and evaluate the potential air emissions increases from vehicle delays at new at-grade road/rail crossings for each alternative. Emissions from vehicle delays will be factored into the emissions estimates for the affected area, as appropriate.

- c. Describe the potential air quality impact resulting from new rail line construction activities.
- d. Propose mitigative measures to minimize or eliminate potential project impacts to air quality, as appropriate.

8. Noise

The EIS will:

- a. Describe the potential noise impacts during new rail line construction.
- b. Describe the potential noise impacts of new rail line operation.
- c. Propose mitigative measures to minimize or eliminate potential project impacts to sensitive noise receptors, as appropriate.

9. Energy Resources

The EIS will:

- a. Describe and evaluate the potential impact of the new rail line on the distribution of energy resources in the project area for each alternative, including petroleum and gas pipelines and overhead electric transmission lines.
- b. Propose mitigative measures to minimize or eliminate potential project impacts to energy resources, as appropriate.

10. Socioeconomics

The EIS will:

- a. Analyze the effects of a potential influx of construction workers and the potential increase in demand for local services interrelated with natural or physical environmental effects.
- b. Propose mitigative measures to minimize or eliminate potential project adverse impacts to social and economic resources, as appropriate.

11. Transportation Systems

The EIS will:

- a. Evaluate the potential impacts of each alternative, including new rail line construction and operation, on the existing transportation network in the project area, including vehicular delays at grade crossings.
- b. Propose mitigative measures to minimize or eliminate potential project impacts to transportation systems, as appropriate.

12. Cultural and Historic Resources

The EIS will:

- a. Analyze the potential impacts to historic structures or districts previously recorded and determined potentially eligible, eligible, or listed on the

National Register of Historic Places within or immediately adjacent to the right-of-way for the proposed rail alignments.

- b. Evaluate the potential impacts of each alternative to archaeological sites previously recorded and either listed as unevaluated or determined potentially eligible, eligible, or listed on the National Register of Historic Places within the right-of-way for the alternative rail alignments and the no-action alternative.
- c. Analyze the potential impacts to historic structures or districts identified by ground survey and determined potentially eligible, eligible, or listed on the National Register of Historic Places within or immediately adjacent to the right-of-way for the alternative rail alignments.
- d. Analyze the potential impacts to archaeological sites identified by ground survey and determined potentially eligible, eligible, or listed on the National Register of Historic Places within the right-of-way for the alternative rail alignments.
- e. Evaluate the potential general impacts to paleontological resources in the project area due to project construction, if necessary and required.
- f. Propose mitigative measures to minimize or eliminate potential project impacts to cultural and historic resources, as appropriate.

### 13. Subsistence

The EIS will:

- a. Analyze the potential impacts of the alternatives, including the alternate alignments for new rail line construction and operation, on subsistence activities in the project area.
- b. Propose mitigative measures to minimize or eliminate potential project impacts on subsistence activities, as appropriate.

### 14. Recreation

The EIS will:

- a. Evaluate the potential impacts of the alternatives, including the various new rail line construction alignments and their operation, on recreational opportunities provided in the project area.
- b. Propose mitigative measures to minimize or eliminate potential project impacts on recreational opportunities, as appropriate.

### 15. Aesthetics

The EIS will:

- a. Evaluate the potential impacts of each alternative, including construction and operation of the rail lines, on visual resources and other aesthetic values within the project area.
- b. Propose mitigative measures to minimize or eliminate potential project impacts on aesthetics, as appropriate.

16. Environmental Justice

The EIS will:

- a. Evaluate the potential impacts of each alternative, including construction and operation of the rail lines, on local and regional minority populations and low-income populations.
- b. Propose mitigative measures to minimize or eliminate potential project impacts on environmental justice issues, as appropriate.

**Cumulative Impacts**

The EIS will analyze cumulative impacts for each alternative of the proposed construction and operation of new rail facilities on the human and natural environment, or in the case of the no-action, of the lack of these activities. Impact areas addressed will include the categories of land use, biological resources, water resources including wetlands and other waters of the US, navigation, geology and soils, air quality, noise, energy resources, socioeconomics as they relate to physical changes in the environment, safety, transportation systems, cultural and historic resources, subsistence, recreation, aesthetics, and environmental justice. The EIS will incorporate all past, concurrent, and reasonably foreseeable future actions that could result in collectively significant impacts to each of the categories of impacts listed above, and to any other categories of impacts that may be included as a result of comments received during the scoping process or the draft EIS.