



SURFACE TRANSPORTATION BOARD
Washington, DC 20423

ED-653
KB

Office of Economics, Environmental Analysis and Administration

October 5, 2007

Mr. Paul Burke
U.S. Fish & Wildlife Service
Twin Cities Field Office E.S.
4101 East 80th Street
Bloomington, MN 55425-1665

Re: Request for Project-Related Information
STB Finance Docket No. 34992, Itasca County Regional Rail Authority –
Construction and Operation Exemption – Itasca County, Minnesota
Endangered Species Act Section 7 Consultation

Dear Mr. Burke:

This letter is a follow-up to correspondence I sent to your office dated April 13, 2007, requesting your comments on a railroad construction project being proposed by the Itasca County Regional Rail Authority (ICRRA) that is the subject of an environmental review by the Surface Transportation Board (Board). The Board is an independent agency housed within the United States Department of Transportation that has jurisdiction over railroad construction and operation. This letter requests your comments on the status of, and possible impacts to, the Canada lynx (*Lynx canadensis*) as it relates to the proposed railroad construction project which is before the Board.

ICRRA seeks authority from the Board to construct approximately nine miles of new rail line that would connect an existing rail line at Taconite, Minnesota, to the site of a new steel mill to be constructed by Minnesota Steel Industries, LLC (Minnesota Steel) in Nashwauk, Minnesota. The proposed rail line is listed as a connected action with the Minnesota Steel Project as noted in the Final Environmental Impact Statement (FEIS) released in June, 2007, by the U.S. Army Corps of Engineers (Corps) and the Minnesota Department of Natural Resources (MNDNR).

As noted in the Corps FEIS and in their August, 2007, Record of Decision (ROD) for the Minnesota Steel Project, the Corps has made a determination that the proposed project may affect, but is not likely to adversely affect the Canada lynx, a Federally-listed threatened species. This determination is presented in the ROD (page 6) and is based on information contained in both the Draft and Final Environmental Impact Statements and a Biological Assessment of the

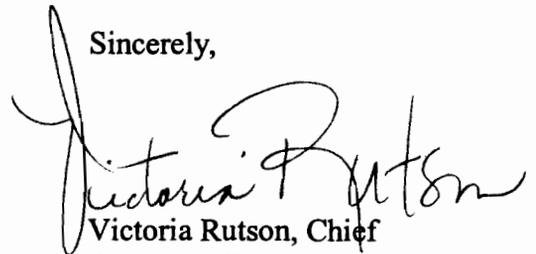
Canada Lynx (2007 Canada Lynx Assessment or BA) prepared in 2007 by ENSR Corporation. The BA, as part of the Corps FEIS, determines that the project area lies in an area of marginally suitable lynx habitat (page 5-3). As presented in the BA (page 5-3), suitable lynx habitat within the project area is patchy, and these patches are separated from each other and are not large enough to support permanent, reproducing populations of lynx. As noted in the BA (page 3-10), a 2-day lynx survey was conducted during late March and early April 2006. The BA (page 3-10) determines that no lynx, or sign of lynx, was found during this survey. The U.S. Fish & Wildlife Service (USFWS), in its response to the determination made by the Corps in the FEIS, issued concurrence with the Corps concerning the Canada lynx in a letter dated August 23, 2007.

ICRRA's proposed rail line alternatives are all included within the survey boundary for the BA (see Figure 4, attached), and are also considered a part of the project as referenced by the Corps in their FEIS (page 6-45) for the Minnesota Steel Project. The proposed route alternatives are located in Township 56 North Range 24 West, Township 56 North Range 23 West, and Township 57 North Range 23 West. These townships are among those that fall within the study area for the BA, and were surveyed for lynx as part of the BA (see Figure 8, attached). Written discussion on habitat suitability for lynx for each township is discussed on page 5-4 of the BA. These townships provide very little suitable lynx habitat, as noted in the BA (page 5-3 and 5-4).

We have reviewed the findings from the Corps FEIS and BA along with the USFWS environmental response. In addition, we have reviewed the ROD and the Corps determination for the Canada lynx. In conjunction with ICRRA's own assessment and involvement in the project and our independent review of the proposed project and project area, the STB's Section of Environmental Analysis has determined the proposed rail line may affect, but is not likely to adversely affect the Canada lynx. I would appreciate your comments concerning this determination by November 5, 2007.

I appreciate your assistance on this project. If you have any questions, please do not hesitate to contact Ken Blodgett of my staff at (202) 245-0305 or Steve Thornhill of Burns & McDonnell Engineering at (816) 822-3851. Thank you for your assistance.

Sincerely,



Victoria Rutson, Chief
Section of Environmental Analysis

Attachment

cc: John K. Ahlness, U.S. Army Corps of Engineers
Stephen G. Thornhill, Burns & McDonnell Engineering