

Letter mailed to All Agency  
Contacts on attached List.

EO-496 KB



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

Office of Economics, Environmental Analysis and Administration

April 13, 2007

Mayor Robert Fragnito  
City of Nashwauk  
301 Central Avenue  
Nashwauk, MN 55769

**Re: Request for Project-Related Comments and Information**  
STB Finance Docket No. 34992 – Itasca County Regional Rail Authority,  
Construction of railroad line to the new Minnesota Steel Industries plant to be  
located at Nashwauk, in Itasca County, Minnesota

Dear Mayor Fragnito:

This letter requests information and your comments regarding a rail line 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 within the United States Department of Transportation that has jurisdiction over railroad construction and operations.

Pursuant to the National Environmental Policy Act (NEPA) and the Board's rules, the Board's Section of Environmental Analysis (SEA) will prepare an environmental document that evaluates the potential environmental impacts of the proposed rail construction project and the reasonable and feasible alternatives to the proposal. Under NEPA and applicable rules of the Board and the Council on Environmental Quality (CEQ), an Environmental Impact Statement (EIS) will be required if the proposed project would have significant environmental impacts. If the proposed project appears unlikely to have significant environmental impacts, then an Environmental Assessment (EA) may be prepared instead. SEA is beginning the process of gathering information on the project area and project-related issues and concerns. Information collected will assist SEA in the preparation of the appropriate NEPA document for the proposed project.

Description of the Proposed Rail Project

ICRRA is a political subdivision and noncarrier established under Minnesota law for the purpose of owning, constructing, and operating railroads in Itasca County, Minnesota. ICRRA

filed a petition with the Board on March 9, 2007, pursuant to 49 U.S.C. 10502, for authority to construct approximately 9 miles of new railroad 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) at Nashwauk, Minnesota (see Attachments A and B which show the location of the proposed rail line alternatives identified to date). ICRRA will own the lead track and lease operating rights to an existing, experienced short-line railroad to provide common carrier rail service over the proposed rail line to Minnesota Steel.

The proposed rail line would begin at the intersection of an existing mainline track extending from Grand Rapids to Forbes, Minnesota. This line is co-owned by BNSF Railway, Inc., and the Canadian National Railway Company. Both carriers operate over this line, and ICRRA's short-line operator would have access to both railroads. ICRRA is proposing a lead track with an interchange yard near the mainline track and terminating as a single track at the Minnesota Steel site, which will have a small rail yard within its facility. The proposed rail right-of-way will be located on land owned primarily by Minnesota Steel, and there will be no crossings of public highways or other railroads. SEA's environmental document will evaluate the proposed rail line right-of-way, as well as a no-build alternative and any other reasonable alternatives (Attachments A and B).

The proposed rail line would be used to transport shipments of chemicals, steel slabs, and taconite pellets associated with the Minnesota Steel plant. Itasca expects the rail line to handle 30,000 carloads and three million tons annually. This is based on one train making single daily roundtrips or two trains per day, one in each direction, at 70-90 carloads per trip, 7 days per week.

#### Agency Consultation

At this time, I request your preliminary comments regarding the proposed rail project. Any information you provide relating to the following issues will assist SEA in determining what environmental issues should be addressed in its environmental review:

- Safety
- Local land use
- Existing transportation systems
- Air emissions and ambient air quality
- Energy use
- Water quality and wetlands
- Ambient noise levels
- Historic sites, archaeological sites, or cultural resources
- Socioeconomics (population, employment, growth, and development)
- Wildlife, vegetation, and fisheries
- Soils and geology

Information on additional issues or concerns that you consider appropriate would also be appreciated. Please respond by May 18, 2007, so that we can incorporate your response into the environmental review process, as appropriate, and schedule any meetings, site visits, surveys, and conduct any necessary follow-up activities. Please submit comments and responses to Burns & McDonnell (B&M), SEA's independent third-party contractor in this case, at the following address:

Burns & McDonnell Engineering Company  
Attn: Stephen Thornhill  
P.O. Box 419173  
9400 Ward Parkway  
Kansas City, Missouri 64141

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 B&M at (816) 822-3851. Thank you for your assistance.

Sincerely,

A handwritten signature in cursive script that reads "Victoria Rutson".

Victoria Rutson, Chief  
Section of Environmental Analysis

**AGENCY CONTACTS**  
**Itasca County Railroad**

Army Corps of Engineers Center  
Attn: Tamara Cameron  
Regulatory Functions Branch  
190 Fifth Street East  
St. Paul, MN 55101-1638

U.S. Environmental Protection Agency  
Attn: Kenneth Westlake  
Environmental Planning & Evaluation Unit  
77 West Jackson Boulevard, Mailstop B-19J  
Chicago, IL 60604-3590

U.S. Fish & Wildlife Service  
Twin Cities Field Office E.S.  
4101 East 80<sup>th</sup> Street  
Bloomington, MN 55425-1665

National Park Service  
Stewardship Team Manager  
111 East Kellogg Boulevard, Suite 105  
St. Paul, MN 55101-1288

Bureau of Indian Affairs  
Environmental Services  
Attn: Mr. Herb Nelson  
Whipple Federal Building  
One Federal Drive, Room 550  
Fort Snelling, MN 55111-4007

U.S. EPA  
Region 5  
P.O. Box 277  
Cass Lake, MN 56601

Loretta B. Sutton  
Program Analyst  
U.S. Department of the Interior MS-2342  
Office of Environmental Policy and  
Compliance (PEP)  
1849 C Street, Northwest  
Washington, DC 20240

Federal Aviation Administration  
Great Lakes Regional Office  
Air Traffic Division, AGL-520  
2300 East Devon Avenue  
Des Plaines, IL 60018

U.S. Department of Agriculture  
Natural Resources Conservation Service  
375 Jackson Street, Suite 600  
St. Paul, MN 55101

U.S. Department of the Interior  
National Park Service  
Midwest Region  
Attn: Ernie Quintana  
601 Riverfront Drive  
Omaha, NE 68102

Federal Emergency Management Agency  
Region V  
536 South Clark Street, 6<sup>th</sup> Floor  
Chicago, IL 60605

Minnesota Public Utilities Commission  
Attn: LeRoy Koppendray, Commissioner  
121 7<sup>th</sup> Place East, Suite 350  
St. Paul, MN 55101-2147

Department of Agriculture  
Attn: Becky Balk  
625 North Robert Street  
St. Paul, MN 55155

Department of Commerce  
Attn: Marya White  
85 Seventh Place East, Suite 500  
St. Paul, MN 55101-2198

Department of Health  
Environmental Health Division  
Policy Planning and Analysis Unit  
625 North Robert Street  
St. Paul, MN 55155

Department of Natural Resources  
Attn: Steve Colvin  
Environmental Review Unit  
500 Lafayette Road, Box 10  
St. Paul, MN 55155-4010

Minnesota Pollution Control Agency  
Rick Newquist, Supervisor  
Environmental Review Unit  
520 Lafayette Road  
St. Paul, MN 55155

Department of Transportation  
Attn: Gerald Larson  
MN/DOT Environmental Services  
395 John Ireland Boulevard, MS620  
St. Paul, MN 55155

Board of Water and Soil Resources  
Attn: Jim Haertel  
520 Lafayette Road  
St. Paul, MN 55155

Minnesota Historical Society  
State Historical Preservation Office  
345 Kellogg Boulevard West, Level A  
St. Paul, MN 55102-1906

Minnesota Indian Affairs Council  
3801 Bemidji Avenue  
Bemidji, MN 56601

State Geodetic Advisor  
Attn: Dave Zenk  
Office of Land Management, Geodetic Unit  
Transportation Building, MS 641  
395 John Ireland Boulevard, Room 618  
St. Paul, MN 55155

Minnesota Dept. of Natural Resources  
Attn: Chris Kavanaugh  
1201 East Highway 2  
Grand Rapids, MN 55744

Office of the State Archaeologist  
Fort Snelling History Center  
St. Paul, MN 55111-4061

Minnesota Homeland Security  
& Emergency Management  
444 Cedar Street, Suite 223  
St. Paul, MN 55101-6223

Office of the Governor  
Governor Tim Pawlenty  
130 State Capitol  
75 Rev. Dr. Martin Luther King Jr. Blvd.  
St. Paul, MN 55155

Minnesota Dept. of Economic  
Development  
Itasca Resource Center  
1215 Southeast 2<sup>nd</sup> Avenue  
Grand Rapids, MN 55744-3982

Minnesota Environmental Quality Board  
658 Cedar Street, Suite 300  
St. Paul, MN 55101

Itasca County Environmental Services  
Attn: Don Dewey  
123 Northeast 4<sup>th</sup> Street  
Grand Rapids, MN 55744-2600

Chuck Meyer  
Red Lake Band of Chippewa Indians  
Red Lake DNR Wetlands Program  
15761 High School Drive  
Red Lake, MN 56671

Itasca Co. Soil & Water  
Conservation District  
Attn: Jim Gustafson  
1889 East Highway 2  
Grand Rapids, MN 55744

Grand Portage Chippewa  
Attn: Margaret Watkins  
Environmental Department  
P.O. Box 428  
Grand Portage, MN 55605

Mille Lacs Band of Ojibwe  
Attn: Charles Lippert  
43408 Oodena Drive  
Onamia, MN 56359

Fond du Lac Reservation  
Attn: Chris Berini  
Division of Resource Management  
1720 Big Lake Road  
Cloquet, MN 55720

Brad Frazier  
Trust Lands & Resources  
Grand Portage Reservation  
27 Store Road  
Grand Portage, MN 55605

Mr. James Zorn  
Executive Administrator  
Great Lakes Indian Fish & Wildlife  
Commission  
100 Maple Street  
Odanah, WI 54861

Itasca Co. Board of Commissioners  
Attn: Amanda Schultz  
Itasca Co. Administrative Services  
123 Northeast 4<sup>th</sup> Street  
Grand Rapids, MN 55744-2600

City of Nashwauk  
Robert Fragnito, Mayor  
301 Central Avenue  
Nashwauk, MN 55769

Nashwauk Council Chamber  
301 Central Avenue  
Nashwauk, MN 55769

City of Keewatin  
Mayor Tom Sampson  
127 3<sup>rd</sup> Avenue  
Keewatin, MN 55753

City of Calumet  
City Hall  
932 Gary Street  
Calumet, MN 55716

City of Marble  
302 Alice Avenue  
Marble, MN 55764-0038

Nashwauk Area Chamber of Commerce  
113 First Street  
Nashwauk, MN 55769

Itasca Co. Health and Human Services  
Itasca Resource Center  
1209 Southeast 2<sup>nd</sup> Avenue  
Grand Rapids, MN 55744

Iron Range Resources  
Attn: Sandy Layman, Commissioner  
4261 Highway 53 South  
Eveleth, MN 55734-0441

Mr. Gordon Adams, Jr.  
Bois Forte Band of Chippewa  
Bois Forte Reservation Tribal Council  
P.O. Box 16  
Nett Lake, MN 55772

Gina Papasodora  
Leech Lake Band of Ojibwe  
6530 US Highway 2, Northwest  
Cass Lake, MN 56633

Mr. Thomas McCauley  
White Earth Reservation Tribal Council  
P.O. Box 418  
White Earth, MN 56591

Itasca County Commissioners  
Itasca County Courthouse  
123 NE 4<sup>th</sup> Street  
Grand Rapids, MN 55744